

CURRENT HISTORY

AUGUST 1931

The Hoover Debt Settlement

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PRESIDENT HOOVER'S initiative in proposing a suspension for one year of payments of intergovernmental debts and reparations was crowned with success on July 6, 1931, when, after more than two weeks of intense effort, France, the only nation that showed unwillingness to agree to the President's proposal, was finally brought into line. On that day France signed an accord with the United States accepting the President's plan, the primary purpose of which was to save Germany from bankruptcy, but which also was devised to aid in relieving the worldwide economic depression.

Never before in our history has there been a more dramatic rapid development of public opinion than that which followed President Hoover's proposal, on June 20, of a "postponement, during one year, of all intergovernmental debts, reparations and relief debts." The response was immediate and hearty. A few days before popular interest in the financial plight of Europe was non-existent or, at best,

tepid; overnight it became a political power.

Throughout the Harding and Coolidge Administrations and since the beginning of Mr. Hoover's, the country has acquiesced in and echoed the fiction, constantly maintained in Washington, that there is no connection between war debts and reparations, and that our prosperity is hardly, if at all, dependent on conditions in Europe. President Hoover himself, in his speech at Indianapolis on June 15, while admitting international economic inter-dependence, asserted that "we can and will make a large measure of recovery irrespective of the rest of the world." In the interest of verbal consistency, he found it necessary, in his statement of June 20, to say that "reparations is necessarily wholly a European question with which we have no relation. I do not approve, in any remote sense, the cancellation of debts to us." This position was maintained throughout the negotiations.

Legally, no doubt our governmental

position has been correct, but when the payment of reparations by Germany jeopardizes its financial and political structure; when, if that should break, all reparation payments would be endangered, and with them the payments on war obligations due to us; when the security of American investments in Europe, amounting to over \$5,600,000,000, is threatened, the legalistic view ceases to be cogent.

The first indication that the administration was to revise its attitude came in the statement by Mr. Castle, Under-Secretary of State, on June 13, that, in the event of a crisis in Germany, our government might be compelled temporarily to revise its policy. During the week that followed, it daily became more evident that radical action was necessary. President Hoover conferred with Congressional leaders of both parties and on June 19 he issued in Washington the following statement:

Since my return from the Central West yesterday I have conferred with those leaders of both political parties who are present in Washington with respect to certain steps which we might take to assist in economic recovery both here and abroad.

These conversations have been particularly directed to strengthening the situation in Germany. No definite plans or conclusions have yet been arrived at, but the response which I have met from the leaders of both parties is most gratifying.

Any statement of any plan or method is wholly speculative, and is not warranted by the facts.

President Hoover, however, was now ready to issue the statement that was to revive the courage of the world. It came next day, June 20, and read as follows:

The American Government proposes the postponement during one year of all payments on intergovernmental debts, reparations and relief debts, both principal and interest, of course, not including obligations of governments held by private parties. Subject to confirmation by Congress, the American Government will postpone all payments upon the debts of foreign governments to the American Government payable during the fiscal year beginning July 1, next, conditional on a like postponement for one year of

all payments on intergovernmental debts owing the important creditor powers.

This course of action has been approved by the following Senators: Henry F. Ashurst, Hiram Bingham, William E. Borah, James F. Byrnes, Arthur Capper, Simeon D. Fess, Duncan U. Fletcher, Carter Glass, William J. Harris, Pat Harrison, Cordell Hull, William H. King, Dwight W. Morrow, George H. Moses, David A. Reed, Claude A. Swanson, Arthur Vandenberg, Robert F. Wagner, David I. Walsh, Thomas J. Walsh, James E. Watson.

And by the following Representatives: Isaac Bacharach, Joseph W. Byrns, Carl R. Chindblom, Frank C. Rowther, James W. Collier, Charles R. Crisp, Thomas H. Cullen, George P. Darrow, Harry A. Estep, Willis C. Hawley, Carl E. Mapes, J. C. McLaughlin, Earl C. Michener, C. William Ramseyer, Bertrand H. Snell, John Q. Tilson, Allen T. Treadway and Will R. Wood.

It has been approved by Ambassador Charles G. Dawes and by Mr. Owen D. Young.

The purpose of this action is to give the forthcoming year to the economic recovery of the world and to help free the recuperative forces already in motion in the United States from retarding influences from abroad.

The world-wide depression has affected the countries of Europe more severely than our own. Some of these countries are feeling to a serious extent the drain of this depression on national economy. The fabric of intergovernmental debts, supportable in normal times, weighs heavily in the midst of this depression.

From a variety of causes arising out of the depression, such as the fall in the price of foreign commodities and the lack of confidence in economic and political stability abroad, there is an abnormal movement of gold into the United States which is lowering the credit stability of many foreign countries. These and the other difficulties abroad diminish buying power for our exports and in a measure are the cause of our continued unemployment and continued lower prices to our farmers.

Wise and timely action should contribute to relieve the pressure of these adverse forces in foreign countries and should assist in the re-establishment of confidence, thus forwarding political peace and economic stability in the world.

Authority of the President to deal with this problem is limited, as this action must be supported by the Congress. It has been assured the cordial support of leading members of both parties in the Senate and the House. The essence of this proposition is to give time to permit debtor governments to recover their na-

tional prosperity. I am suggesting to the American people that they be wise creditors in their own interest and be good neighbors.

I wish to take this occasion also to frankly state my views upon our relations to German reparations and the debts owed to us by the allied governments of Europe. Our government has not been a party to, or exercised any voice in, domination of reparation obligations. We purposely did not participate in either general reparations or the division of colonies or property. The repayment of debts due to us from the Allies for the advances for war and reconstruction was settled upon a basis not contingent upon German reparations or related thereto. Therefore, reparations is necessarily wholly a European problem with which we have no relation.

I do not approve in any remote sense of the cancellation of the debts to us. World confidence would not be enhanced by such action. None of our debtor nations has ever suggested it. But as the basis of the settlement of these debts was the capacity under normal conditions of the debtor to pay, we should be consistent with our own policies and principles if we take into account the abnormal situation now existing in the world. I am sure the American people have no desire to attempt to extract any sum beyond the capacity of any debtor to pay, and it is our view that broad vision requires that our government should recognize the situation as it exists.

This course of action is entirely consistent with the policy which we have hitherto pursued. We are not involved in the discussion of strictly European problems, of which the payment of German reparations is one. It represents our willingness to make a contribution to the early restoration of world prosperity, in which our own people have so deep an interest.

I wish further to add that while this action has no bearing on the conference for limitation of land armaments to be held next February, inasmuch as the burden of competitive armaments has contributed to bring about this depression, we trust that by this evidence of our desire to assist we shall have contributed to the good-will which is so necessary to the solution of this major question.

With scarcely a dissenting voice, the press of the country expressed its enthusiastic approval of the President's action, and there was similar unanimity among the leaders of financial and political opinion. The stock market reflected the belief that a

serious crisis had been passed by a spectacular rise in prices of from three to eleven points. According to some estimates, the appreciation in values during the week following amounted to considerably more than half the capital sum of the war debts. Abroad the news awakened equal enthusiasm. In Germany it marked a reprieve from impending bankruptcy. Italy, since the London Economic Conference of 1922, has been committed to a policy of collecting in reparations only so much as is necessary to pay her American debt. Not only did she accept the President's proposal at once, but she took immediate action in notifying her debtors that no payment would be required after July 1. Under the terms of the Balfour note, Great Britain stands ready for general cancellation, and all parties are united in their approval of the present plan. With minor reservations in a few cases, the smaller countries did the same. The only exception was France.

The French reply, received on June 24, was disappointing, for it took a position as legalistic as our own. The Young plan, it asserted, had been "freely accepted and recently signed." Any modification of it that would affect the unconditional annuities would destroy confidence in the value of international agreements. They agreed, nevertheless, "provisionally and for a period of one year, to forego the retention of any payment made by the Reich, and to place at the disposal of the Bank of International Settlements a sum equal to its share for one year of the non-postponable annuity, with the sole exception of the amounts necessary to the execution of the balances of current contracts for payments in kind." The sum so paid in "could be utilized at once for improving credit in Germany, as well as countries in Central Europe."

Washington immediately took the position that the terms contained in the note were unacceptable. The total indemnities due from Germany to the

Allies during the coming year amount to approximately 1,700,000,000 reichsmarks. Of this sum about 1,000,000,000 is postponable. Of the 700,000,000 reichsmarks remaining, 417,700,000 goes to France, and out of this 338,400,000 is covered by contracts for deliveries in kind. The amount available for loan to Germany, it was held, would be too small to satisfy her necessities. Even so qualified an acceptance as this was ratified by the Chamber of Deputies only after a long debate, and the Laval Government escaped defeat only by the aid of Socialist votes which generally are in opposition. Secretary Mellon was fortunately in Paris and was able immediately to join Ambassador Edge in the negotiations which followed. Both were in constant communication with Washington by radio-telephone and by cable, and no move was made without consulting Mr. Hoover.

France desired above everything else to maintain the integrity of the Young plan and to insure a resumption of payments at the end of the year of moratorium. She seems indeed to have demanded that in the succeeding year Germany should have to pay both her normal and her postponed annuities. This, our representatives held, was impossible; and they suggested that the repayment should be spread over a period of twenty-five years. France desired that loans should be made to other countries, and we countered with the suggestion that such loans should be made by the Bank for International Settlements and guaranteed by the central banks of the larger countries. Other difficulties developed. Under Annex 8 of the Young plan, France is obligated, in the event that Germany secures a moratorium, to deposit in the Bank for International Settlements the sum of 500,000,000 reichsmarks to secure the distribution of the non-postponable annuity in the same proportion as the total annuity. She now expressed her desire, in the event that Germany should demand a

moratorium, to be free from this obligation, and to require Germany immediately to repay to the Bank for International Settlements, for the credit of the French guarantee fund, such sums as had been reloaned to her. This, our representatives held, would defeat the purpose of the moratorium. The French called attention to the fact also that the statutes of the Bank for International Settlements forbid direct loans to governments. To avoid the danger that the German Government might use the loans for armament, they desired that they should be made to industrial and financial corporations. To this we replied that the prime purpose of the whole plan was to aid the German treasury.

The position of the United States was embodied in a memorandum presented to the French Government on July 1. The principle of the continuity of the Young payments, represented by the payment of \$131,000,000 to the Bank for International Settlements, was recognized, provided that the sum were immediately reloaned to the German Government. Assurance as to the guarantee fund should come from the Young plan signatories and not from the United States; but, the Department of State adroitly added, this "proposal involves a modification of the Young plan, which we understand the French Government was particularly anxious to avoid." The note then went on to discuss what would happen if the American proposals failed and Germany were compelled to seek a moratorium, and claimed that France would be the loser by about \$100,000,000.

On July 4 it was announced that substantial agreement had been reached, but on the following day a new difficulty arose because of insistence by the French that the international committee of experts which would work out the details of the plan should have a free hand in determining questions referred to it, especially as to payments in kind which Ger-

many should continue to make. The United States demanded that the experts be instructed to make all their decisions conform to the spirit of the Hoover plan. Finally, however, on July 6, the following accord was approved and initialed:

After an exchange of views the French Government states that it is in agreement with the United States on the essential principle of President Hoover's proposal and on the following propositions, which may be expressed thus:

1. The payment of intergovernmental debts is postponed from July 1, 1931, to June 30, 1932.

2. However, the Reich will pay the amount of unconditional annuity. The French Government agrees, in so far as it is concerned, that the payments thus made by the Reich shall be placed by the Bank for International Settlements in guaranteed bonds of the German railroads.

3. All suspended payments shall be subject to interest in accordance with the conditions suggested by the American Government, payable in ten annual instalments beginning with July 1, 1933.

4. The same conditions shall apply to the bonds to be issued by the German railroads. On the three points which it is recognized do not directly concern the American Government the French Government makes the following observations:

(A) A common action by the principal central banks acting through the medium of the Bank for International Settlements shall be organized to assist the countries of Europe which would be particularly affected by the postponement of the payment as proposed.

(B) A preliminary understanding should take place between France and the Bank for International Settlements in order that France shall not supply the guarantee fund provided for in the Young plan

in the event of a moratorium except by monthly payments in accordance with the needs of the Bank for International Settlements after actual transfer of payments by Germany.

(C) The question of deliveries in kind and the various modifications which will become necessary as a result of the application of the American proposal and the present agreement shall be studied by a committee of experts named by the interested powers, which shall reconcile the material necessities with the spirit of President Hoover's proposal. France reserves the right to request of the German Government indispensable assurances concerning the utilization for exclusively economic purposes of the sums freed to the Reich budget.

While the French have certainly shown themselves much less conciliatory than the other powers, it must be pointed out that their government was in an exceedingly difficult position. There was strong objection, even within the Cabinet itself, to some of the concessions that have been made.

If, as is to be hoped, the plan is sufficient, and has come in time to prevent a catastrophe in Germany, Mr. Hoover will have rendered a service to Europe of no less signal value than was his administration of relief during and after the war. A great many things may happen during the coming year. There are many well-informed people, both in this country and abroad, who believe that before it is done, the whole matter of reparations and war debts must be readjusted and that we shall have another "final" settlement of this much-debated question.

The Franco-German Feud

I—The French Case for the Treaty of Versailles

By RENE PINON

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"IN 1931 the treaties should be revised." On this point the entire German press is agreed, and everywhere the subject is discussed in season and out. If there is a question of European economic accord, the Germans say yes, but only after the treaties are revised. Politicians speak in the same terms; it is the government program, and its accomplishment will be pursued with the tenacity of the Germanic race.

The German case for treaty revision is in the first place founded upon a philosophic theory. German philosophy is one of dynamism, of motion and power; the world is in a perpetual flux; there must be no opposition to its transformation; life is movement. French philosophy is static, and imposes stability on the world in the name of immutable reason. Does not history show that treaties are not everlasting, that they yield to the vital needs of peoples and that if adjustment is thwarted they are shattered? To safeguard peace is to modify treaties so as to adapt them to conditions of life and affinity of natural forces; by seeking to fix treaties immutably the way is paved for war.

The object of this philosophic display is to spread a scientific varnish over quite definite political interests. The law of the rights of peoples was already regulated by dynamism before 1914; yet the Germans were never heard to propose nor was there ever any suggestion that they would accept a revision of the treaty of Frankfort

or grant independence to their Polish provinces. Can it be that revision of treaties becomes necessary only if they are a restraint on Germany, which represents progress and culture, and must not be obstructed in her expansion?

This thesis is presented without cynicism, but rather with a candid egoism. There is no consideration of the rights of other peoples, or at least only if they can be harmonized with the superior rights of the German people. Read those interesting memoirs of Prince von Bülow, and see what he says of the Poles. He grants their place in Russia, but not in Prussia. They are ingrates who have received civilization from Germany and who rise against her and claim their place in the sun. How could they have rights to oppose to those of Prussia and of German nationality? Such an idea can find no shelter in the Prussianized German mind, impregnated with its sense of superiority.

It is true that treaties are not everlasting, as history proves. History also proves, however, that certain treaties have had far-reaching consequences and have lasted a long time. The treaty of Verdun, in the year 843, still weighs upon Europe. The treaties partitioning Poland lasted 150 years, and yet they were founded on the most flagrant injustice and the most atrocious abuse of force. The treaties of 1815 established Prussia on the left bank of the Rhine, where she had no right to be, and she is still there. France in 1815 lost Landau, the

Saar Basin, Philippeville and Marienburg, and she no longer claims them.

Even if we admit that treaties are not permanent, it does not follow that we have the right the day after they are signed to declare them invalid before giving them a fair trial. The German press hailed the Young plan with enthusiasm, as it was much more advantageous to Germany than the Dawes plan, and then immediately began to find it unacceptable and demand its revision. "When you want to kill a dog you call it mad." The Germans in their haste to kill the Versailles treaty declared it unacceptable as soon as they signed it, despite the fact that all its essential provisions have been put into effect without great difficulty. Let us, then, not be impressed by a philosophy which seeks to camouflage the essentially utilitarian purpose of revision.

The case for revision is presented also from a legal standpoint. This rests upon Article XIX of the covenant of the League of Nations, which reads: "The Assembly may from time to time advise the reconsideration by members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world."

This article, however unwise it may be, for it can lend itself to false interpretations, was evidently not inserted with the object of disturbing the treaty of which it is an integral part. It looks to the future; it establishes a means of remedying a situation which has become untenable and dangerous. The treaty could not create such a dangerous situation; the only thing that could do that would be a change in the conditions which existed when the treaty was signed. Moreover, the initiative belongs to the Assembly of the League of Nations and not to the interested States.

It would be far too easy to void a treaty by permitting lack of good faith to affect its operation. The cov-

enant of the League had no intention of encouraging ill will and organizing sabotage. Any impossibility of applying a treaty must result from material evidence, not from the ill will of one of the contracting parties. Nor does danger to world peace result from the rebellion of one of the parties; it would be too simple if the discontented party could declare that unless it were satisfied world peace would be endangered, and if that were enough to bring about revision. Such was not the intention of the framers of the covenant, and it is by a twisted interpretation that the Germans are trying to utilize Article XIX to destroy a treaty which is more repugnant to their self-esteem than it is harmful to their national interests.

What is the actual issue? In sum total, it is the desire to re-establish the Europe of 1914, in which Germany held a dominant position by reason of population, military and naval strength and economic prosperity. What Germany cannot resign herself to accepting is less a matter of this or that detail than the loss of a hegemony which she owed to three victorious wars and to rapid economic expansion. The Prussian monarchy, like the Habsburg monarchy, grew great by driving back the Slavs who in Charlemagne's time peopled all the land east of the Elbe and even of the Weser. The Germans, under their warrior dynasties, exterminated, assimilated or denationalized the Slavs. The Teutonic nobles, whose secularization at the time of Luther is the origin of the Duchy of Prussia, then vassal to the Kingdom of Poland, were the pioneers of Germanism in Slav and Lithuanian lands. These knights pushed their conquest over the pagans of present-day Lithuania, Latvia and Estonia as far as the Gulf of Finland. In Eastern Europe Prussia embodies the national idea of Germanic expansion; she is a force in motion, and this force is anti-Slav. In order to consolidate the German colonies on the Baltic with

Brandenburg, the Hohenzollern monarchy, in imitation of the Romans, set up military posts which became German isles in the midst of the Polish population. In historic fact there was a German corridor running through the Polish rural masses, guarded by Prussian fortresses—a German military route across Poland, where the majority of the population has always been Polish and where the restoration of Poland has eliminated a large part of the Germanic element.

The question of Polish Pomerania, which the Germans mistakenly call "the question of the Corridor," is only the present-day phase of the age-long struggle between German and Slav. In 1918, by the allied victory, the Slavs of Czechoslovakia, Poland and Yugoslavia regained or completed their independence and now propose to keep it. It is their very existence which the Germans begrudge, much more than the loss of any small piece of territory. To German pride the fact that German minorities should be obliged to live in subjection to Slav States constitutes decadence, the downfall of a civilization which they created and guarded.

Even a man as intelligent and cultivated as von Bülow cannot accustom himself to the idea that the Poles can have the same rights as the Germans. When he caused an expropriation law to be passed against them, his sole argument was "defense of German nationality." What he really defended was its expansion at the expense of the Slavs, the historic *Drang nach Osten*. "Like the cathedral of Strasbourg in the west," he once said in the Reichstag, "Marienburg in the east warns and exhorts us to defend the frontiers of the empire and German nationality." By such reasoning he comes to believe that the Poles are still a menace to the Germans, whereas it was the Germans who drove back the Slavs and divided Poland. If it is true that the Poles are not exactly fond of the Germans, on

the other hand the Germans despise the Poles, root and branch. The Germans, who have treated the Slavs with savage brutality, are ill qualified to call them, as von Bülow does in his *Memoirs*, "brutish pupils in revolt against their masters." That last word, "masters," tells the whole story. The German believes he was born to be the master of the Slav—that Slavs are slaves.

And this, by fair means or foul, is what they want revised! This is what they regard as an "untenable" situation. No German admits any obligation to consider the Slav as his equal. The existence granted to the Slav nations, especially to the Poles, who are only 125 miles from Berlin, appears to Germans as an attack on their superior German civilization. Even the great majority of German Catholics, in spite of their community of faith with Poland, are a prey to this psychosis; they apologize to other Germans for professing the same religion as the Poles.

The Germans, in their demands against the Slavs, find natural allies in the Hungarians. Ever since the Magyars, coming from Asia in the tenth century, fell like a meteor amid the Slav tribes and separated those of the South from those of the North, exterminating some, driving others into the mountains, they have been the enemies of Slavs, both by force of interest and by historic tradition. The Dual Monarchy of Austria and Hungary, created by Francis Joseph in 1867, was directed against the Slavs and Rumanians. It was hatred of the Slavs and the historic tradition of oppressing them that consolidated Germans and Magyars. Von Bülow himself says: "I had noted this admixture of delusions of grandeur and short-sighted psychology, of fanatical intolerance and chicanery, which characterizes Hungarian nationalist policy, and which is supremely exasperating to Serbs and Rumanians." The Magyars resent confinement to the mere territory in which their

stock prevails; they are essentially a domineering and conquering race. Treaty revision for the Magyars means a step toward the return of the good times when they were able to oppress other nationalities. Does anybody think the Hungarians, like the Germans of the east, would be satisfied to regain a few villages? Major surgical operations, like those which followed the collapse of the Austro-Hungarian Empire, in order to readjust ethnical frontiers as far as possible according to the desires of the populations concerned, cannot take place without producing poignant regrets which would seem legitimate enough unless the well-being of the emancipated peoples were put in the other scale.

Thus, almost the entire territorial problem is summed up in the Slav-Rumanian question on the one hand and the German-Magyar on the other. It is a reversal of history. Why be astonished if stability does not come in a day? Yet why regret territorial readjustments which bring back peoples who had vanished from the historical scene, or which give others national unity? These things are neither surprising nor novel but the completion of an evolution which began with the French Revolution and the sweep of Napoleon's armies across Europe. This emancipation rests on logic and justice, and there can be no question of destroying it, but only of strengthening it.

The struggle for the revision or maintenance of the peace treaties is only dragging out a long-standing conflict of ideas which, in the nineteenth and twentieth centuries, took concrete form as a political antagonism. German political philosophy is founded on the idea of race. Race is expressed primarily by language; it comes to fruition in a State which is omnipotent, deified and established as a historic entity superior to the nation. All the philosophy emanating from Fichte and Hegel culminates in the glorification of the Prussian State

and the Prussian dynasty as the agents of national unity and the political realization of the racial power. "Wherever the German tongue is heard, there is the German Fatherland." The German race strides across history like some heroic Siegfried, creating history as it goes. It is a conception fundamentally monarchical and aristocratic, in which rights of individuals or groups of individuals disappear and have to be sacrificed.

The French conception is altogether different, stemming as it does from the revolution and eighteenth century philosophy, strengthened and codified by such thinkers as Taine and Renan, and after them by Maurice Barrès. Nations are not races; they are formed from individuals belonging to numerous different ethnic groups, established and amalgamated by a long course of history, cemented by the willingness of their constituent individuals to live a common life throughout the vicissitudes of history—in a self-conscious national entity which yet respects other national entities. This is essentially a democratic conception, even if the national unity is symbolized in a sovereign, as in England or Italy—a conception which respects the right of the individual, to whom it gives power of expression.

Whatever we may think of the intrinsic worth of the principle of self-determination, itself an outgrowth of the principle of nationality, and like that principle derived from the ideas in the French Revolution, the fact remains that the peace treaties were firmly based on those doctrines. The new Europe is a Europe of nationalities; it has constrained itself to set up a right greater than that of force, to create institutions to guard it, and to put force at the service of those institutions. Although perhaps it has not completely succeeded, it is a possible aim and we do not question it; but the resurrection of several nations and the unity achieved by several

others show that good results have been attained. President Wilson's Fourteen Points are for the most part an application of long-standing principles which have become a new right. There is more justice in the Europe of Foch than in that of Bismarck. From this point of view the treaties of 1919 may be regarded as the fulfillment of the European tendency which during the nineteenth and the beginning of the twentieth centuries reunited peoples into nations and established the nations as States.

At two moments in history, 1813 and 1848, it looked for a time as if the German national urge might take form in and through a democracy. But each time the traditional monarchical and aristocratic forces prevailed. Unity was achieved by Prussian conquest, directed by the Hohenzollern dynasty and guided by the genius of a Prussian country squire, Bismarck.

The revolution of November, 1918, produced in Germany, under the impulse of defeat, a democratic drive and a liberal Constitution. Since then a tragic struggle has ensued between the two conceptions. The racial drive is a counter-attack inspired by the Prussian formula and all that it represents in history. But even the democrats and republicans, or those who think they are, have shown themselves at times unwittingly permeated by the German conception of race and racial rights. The idea of popular rights has not penetrated their minds or taken hold of them. They find it impossible to think of Polish rights under the same aspect as those of the German State; an attempt against the historic Prussian-German State seems to them infinitely more unjust than the deliverance of millions of Poles to a foreign power. Thus they view the questions of Polish Pomerania, Upper Silesia and Danzig.

The sincerest democrats in Germany intensify the tragedy by claiming that they are assured of certain additions to the national territory if

the Versailles treaty is revised, without which they fear the definite defeat of democracy in Germany.

It is far from clear why justice in the founding of Germany and Italy should no longer be justice when it concerns Poland, Yugoslavia, Czechoslovakia or Rumania. Germany has benefited by this movement of nationalities, for the diplomatic blundering of Napoleon III, so disastrous to France and so profitable to her rivals, had at least behind it a democratic logic whose basis was the right of self-determination and the formation of large unities. But Germany did not rest her case on this right; she founded her claims on the quite different theory, which we have noted, of race and racial rights. Hitlerism, which owes much to Gobineau's ideas, presents the claims of Germany as those of a chosen people, a superior people, and an instrument of Providence. The present Hitler policy, if dangerous, is at least logical and in accord with its origins.

And Italy? She was born, as an independent and unified State, from the application of the principle of nationality, from the democratic right of peoples to order their own affairs. Yet we have recently seen her go over to the camp of the powers demanding treaty revision for the benefit of Germany and Hungary. But if, for economic or military reasons, any injustice has been done in the treaties to the right of self-determination, it has been in Italy's favor. The upper Alpine valleys which converge at Bolzano to form the Adige are purely German in stock, language and sentiment. There are about 300,000 of these natives of unmixed blood, deeply attached to the old Austria and especially to their brothers in the Tyrol. The Carso plateau in Istria is Slavic; a compact body of 300,000 Slovenes and Croats has been annexed to Italy, and they are undergoing a violence to their language, religion and national sentiment which recalls by its ex-

cesses the methods lately employed in Hungary.

Such an inconsistency is particularly shocking. Italy is perhaps the only European State which has not a single valid argument to advance in favor of treaty revision which should logically originate with her. By going over to the revisionist camp, by supporting the Hungarian claims, by endorsing those of Germany, especially as to Polish Pomerania, Italy has encouraged and stimulated the passions of German nationalism. Why? No doubt because of Fascist affinity to Hitlerism, but above all to counteract French policy which she accuses of establishing a hegemony in Europe, and which she designs to supersede on the Continent, as also in the Mediterranean and in the colonial field. It is difficult to overestimate the danger of an accord on the part of Italy, Germany and Hungary to all peace-loving peoples, and particularly to those nations whose youthful independence is not yet completely established. The fact that this accord is hailed with satisfaction by the Russian Bolsheviki does not make Italy's step any less dangerous or any more honorable.

The propaganda for revision is led simultaneously by Germany, Italy and Russia. It finds sympathy among Fascist parties and Communists, and among those who imagine, with profound misunderstanding of the German character, that treaty revision would lead to a rapprochement with Germany. Even among the general public and the simple-minded an idea is subtly spreading that it would be expedient to make some concessions to Germany. The crowd's imagination is mainly caught by the question of the Corridor. The British, who as a rule know little of the problems of Central Europe, and who have no tradition of friendship with the Slavs, believe that treaty revision would safeguard peace, whereas it would almost certainly lead to war. Hence it becomes obligatory to take energetic measures

for the defense of the new Europe. The new order needs time for consolidation. To inaugurate an era of revision would be to create deep unrest among the new States or those whose territories have expanded. Where would it stop?

Propaganda for revision employs three main arguments—those of morality, finance and territory.

The moral question is the question of responsibility for the war. The German admission of guilt is written into the treaty; it would not appear oppressive to the German mind if it did not carry in its train of consequences liability for reparations. To be convinced of this, it is sufficient to read what von Bülow says in his *Memoirs* about the violation of Belgian neutrality. It does not seem to him a crime but a mistake. If a bad move is made, the essential thing is to succeed! But the "problem of responsibility" is not a problem. In vain do we attempt to cloud the issue by confusing origins with responsibilities. The fact that the war did not spring from an outburst of insane fury on the part of the Vienna and Berlin Governments, the fact that it is explained historically by a long course of past events—these things do not lessen the responsibility of those who unleashed war at a given moment in history, or who did nothing to prevent it when they might have done so. Once more von Bülow's *Memoirs* reveal the facts. The weightiest responsibility rests upon the ex-Kaiser, upon the German general staff, upon the whole of that social, political and military system which made up Prussian militarism. What is the use in assembling councils of scholars to be-fog what is clear?

The financial question is disposed of. The Dawes plan, followed by the Young plan, has settled both Germany's payments and, in case of necessity, the manner in which a partial moratorium may be obtained. A reduction of Germany's liabilities can come only as a result of reducing the

debts which Great Britain and France owe to the United States.

To reopen the territorial question would be to plunge Europe into insoluble difficulties. In Central Europe, and especially in Eastern Europe, history has brought it to pass that populations are not distinctly separated and are not all possessed of a clear tradition of patriotism. In Eastern Europe the populations form a criss-cross, and the League of Nations has had to find means of protecting the minorities. This is the only way of rectifying the partial and inevitable injustices which the peace treaties have created for certain small groups of people.

Polish Pomerania, which the Germans call the Danzig Corridor, was assigned to Poland, not, as so many believe, because President Wilson had promised Poland an outlet on the sea, but because this region is peopled by a Polish majority. If tomorrow it were decided to hand over the present territory of Polish Pomerania to Germany, a majority problem would be substituted for a minority problem, and the League of Nations would have to defend a majority against the abuse of power by a minority. Poland would at once insist on revision of the revised treaty! It would be a hopeless network of complications, difficulties, conflicts and wars. In the name of justice the Germans demand that they be given back territories inherited by Poles, but their ideas of justice leave no room for the rights of other people.

Their justice is what suits their interests. The Versailles treaty had to work out a different idea of justice. Absolute and complete justice is no doubt impossible in this world, but it is not impossible to apply the treaties in such fashion as to make provisions less galling to the conquered. It would thus be well to provide, as has already been done in part, that traffic be made progressively easier for Germans in crossing Pomerania from Prussia to Brandenburg. Let us have adjustments of detail, steps toward good-will, as much as possible, but let us not set out upon the dangerous road of revision. Already the projected customs union between Germany and Austria runs that risk.

The crumbling of Europe calls for an organized Europe, economic organization first and then political organization, although the economic can hardly be separated from the political. Let us work toward this end; by moving forward we shall divert discussion from the thorny questions of territories and frontiers. But at the base of the new Europe the treaties of 1919 must remain firmly fixed. They constitute an incontestable, remarkable advance beyond the Europe of Bismarck; they yield more justice to a greater number of peoples and individuals; they redress a number of crying wrongs. If we ask ourselves honestly, "Do the treaties of 1919 constitute progress or retrogression?" we are obliged to reply, "Progress."

II—The German Stand for Treaty Revision

By HERMANN ONCKEN

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THE last sweeping rearrangement of the European system before the treaty of Versailles was embodied in the acts of the Congress of Vienna of 1815 which brought to an end a generation of world war.

That settlement was an attempt to find a lasting foundation for the peaceful ordering of a continent that had suffered from Napoleon's wars for hegemony. The men who framed the settlement even went so far as

to believe that they had established this new order for all time by a sacred alliance, which, moreover, even the King of France joined. One need not glorify this work of 1815—for it was the work of mere men, like other works—but time was nevertheless to prove it on the whole more just and durable than the similar effort undertaken a hundred years later with the same assertion that it was to be everlasting.

Among all the peoples of Europe it was the French who, instead of taking their stand on the basis of these treaties of 1815, assumed toward the whole new order an attitude as if their minds had been filled with those desires for dynamic change which M. Pinon ascribes to the Germans. All the French parties—Bourbon and Orléans, Republic and Second Empire—were united in opposition to the treaties of 1815 as an international confirmation of their defeat and the perpetuation of grave injustice. Napoleon III, above all, made this constantly a subject of his manifestoes.

Between the treaties of 1815 and the outbreak of the World War of 1914 the most decisive historical happening was the Peace of Frankfort between Germany and France in 1871. Never were the French able to decide honestly to accept this treaty as genuinely binding on them; on the contrary, they made the revision of the treaty of 1871 the chief underlying principle of their policy. It was always the same language, the meaning of which was known to all the powers, whether Clemenceau on April 28, 1908, told Sir Edward Grey that no definitive agreement was possible between Germany and France as long as the Peace of Frankfort was in effect; or whether General Bonnal in 1910 explained the spirit of the Dual Alliance by saying that Russia had come to France because she was dissatisfied with the treaty of Berlin and hoped to see it revised, while she knew or at least hoped that France was determined to erase the Peace of Frankfort

from the pages of history; or whether Poincaré declared confidentially in April, 1912, that a rapprochement with Germany would be possible only if the former status were completely re-established.

In the hundred years before the World War the French did not assume the attitude which was to be expected according to M. Pinon's thesis, but followed precisely the opposite course, which, as a basic element of unrest, openly or tacitly aimed at the overthrow of the existing system of States. M. Pinon, however, does not hesitate to use the treaties of 1815 to illustrate France's respect for treaty rights. Thus, he declares that these treaties established Prussia on the left bank of the Rhine, where she had no right to be and where she still is. But how did Prussia come into the Rhineland? The reorganization of that territory, after it had been liberated from French domination, was essentially a question of German "security." The fact that the electorates of Cologne, Trier and Mainz and other diminutive States, which had outlived their reason for existence, were not re-established in 1815, was due to the experience which demonstrated that the most precarious points in the Reich could not be held by small States with weak military resources, but that a strong protecting force was necessary. As early as 1805 Pitt had demanded that Prussia be extended to the Rhine, and in 1815 Castle-reagh made the same demand, for it was at the same time a question of European security.

Nevertheless, to force Prussia out of the Rhine Province became the leading aim of French policy in the nineteenth century, and, above all, during the decade when Emperor Napoleon III again espoused France's historic Rhine policy. During the '60s this policy for the most part did not look beyond Saarbrücken and the boundaries of 1814, but it soon began to envisage creating from the parts

of the Prussian province on the left bank of the Rhine a neutralized buffer State, that is, a State controlled by France, and then it began to seek the Moselle boundary with the Rhenish Palatinate and Mainz. Shifting ground as the political constellation changed between the *grand Rhin* and the *petit Rhin*, French policy never forgot its ultimate aim—the real and most decisive cause of the war of 1870-71.*

M. Pinon then emphasizes the fact that France lost the Saar district in 1815 and no longer makes any claim to it. Let us look first at the "loss" of Saarbrücken. When in 1814 the allies re-established France within the boundaries of 1792, they at first generously left to her the purely German Saarbrücken, despite its having always up to the revolution belonged to the German Empire. Not until after Napoleon resumed the war in 1815 was this error rectified by restoring the district to the country to which it belonged and of which it desired to be a part. It is most praiseworthy that France no longer makes any claim to Saarbrücken and thus demolishes the Versailles lie about the 50,000 French there, although there are but a few hundred, but unfortunately the manner in which negotiations concerning the Saar district have been delayed in the last few years makes it only too obvious that France is striving not to remove a single fetter from this member of the German body an hour earlier than the sacred treaty right prescribes.

The German national idea, M. Pinon says, is founded on race, which is above all recognizable from the language, and finds its realization in the omnipotent and deified State. This, we are told, has been current in German philosophy since Fichte and

Hegel. But Fichte and Hegel have nothing to do with the race theory. On the contrary, the idea of race as a decisive factor in determining nationality originated with a Frenchman, Count Gobineau, in his *Essai sur l'inégalité des races humaines*. Gobineau's theory has its upholders among all peoples, while the creation of the German national State was in no way influenced by the national race theory. So far as the omnipotent State is concerned, the French, from J. Bodin down to Rousseau, first thought out the idea for us, and from Louis XIV down to the National Convention and to Napoleon I they applied it—long before the Germans took it up.

Discussing the difference between the French and German national ideas at the International Congress of Historians at Oslo, I said: "On the one side stands the totality of ideas which first gain acceptance in the French national State during the great Revolution and then, after having reshaped the State, make their victorious way through the world, reaching their apex in the political formula of national sovereignty, which gives new content and a mighty impetus to the right of every nation to self-determination at home and abroad. On the other side arises the understanding, first awakened by German thought, for the deeper bases of all nationality, the conception of the nation as a living organism, whose primal manifestations of life find expression in its speech, its folk-literature and its entire cultural possessions subconsciously embodied in custom and tradition. These ideas, first thought out by Herder, were then taken over with the finest receptivity by the spirit of romanticism, developed further by Fichte to moral rejuvenation and political defense—in conscious reaction against the conquering national idea of the French—and finally incorporated by the speculative genius of Hegel in the comprehensive world-view of his philosophy of history.

*I have dealt with these matters in my three-volume publication of documents concerning the Rhenish policy of Napoleon III from 1863 to 1870, and should like especially to direct attention to the splendid introduction written by Professor Ferdinand Schevill of the University of Chicago for the English edition of the work. (New York: Alfred A. Knopf, 1928.)

If this line of thought, which I believe is fair to both sides, is to be carried further, let us recall that the French idea of revolution went beyond the boundaries of the State in its very first stages and trampled the rights of other nations under foot. It was this change from propaganda of an idea to propaganda by force that first awakened the slumbering national idea of the Germans, turned them from intellectual preoccupations to matters of State and gradually to politics. Napoleon's armed domination was the godfather of modern German nationalism, and ever since then, down to Hitler, the German people have been helping to forge the iron of neighboring nationalism in the fire of ill treatment.

Though M. Pinon praises the Europe of 1919 as the Europe of nationalities, it is doubtful for various reasons if this new order is really an ideal arrangement according to the principles of the national State. Above all, it has sinned in denying by ironbound decree to one of the greatest peoples the right of national self-determination. M. Pinon, who has a sensitive ear for every injustice committed in the past by the Germans against other nations, is deaf when the just claims of the Germans are voiced. It is true that he has written on behalf of the Germans in South Tyrol against foreign oppression, but unfortunately his motives are quite transparent. His purpose was to give the Italians a lesson regarding their demands for treaty revision.

The Germans complain most seriously that, while in the new system of European States every nationality, down to the smallest, is granted the right to live its own life in an independent State, they themselves alone are subjected to a special law forbidding them to combine in a State. This is, above all, true of the purely German territory of Austria; the situation is no different as to Danzig, which is also purely German and which was torn from Germany against

its will for the sole purpose of giving control of the mouth of the Vistula to the Poles. French hostility to the *Anschluss* is carrying on the petty policy which in 1919 forbade the name *Deutsch-Oesterreich* (German Austria), which this State wanted to take, and compelled the striking out from the Weimar Constitution of the provision for the future *Anschluss*. Just as Napoleon III, between 1866 and 1870, pursued the policy of the River Main border, which subjected to French consent the union of South Germany with the North German Federation and thus became the real cause of the war of 1870-71, so today, with the same stubborn unteachableness, France, with her followers, opposes the completion of German unity. In supreme disregard of the basic idea of democracy and of the right of national self-determination on which the demand for the *Anschluss* rests, in supreme disregard also of all the principles which are supposed to be realized in the new order of 1919, France demands a different solution wherever her interests are in question.

Recently a further step has been taken in stigmatizing the negotiations for a customs union between Germany and Austria as a menace to that peace which it is the mission of France, armed to the teeth, to protect against an almost entirely demilitarized Germany. The same powers that first broke the old Austria into pieces and then made impossible any contact of the German-Austrian rump State, economically incapable of subsisting by itself, with the Succession States desire now to forbid it to enter into a customs union with the country to which it is bound for all time by every tie of history, language and culture, by its sentiment and its conscious political will—because this union could become a step toward such an evil thing as political union.

The sacredness of treaties serves to justify senseless obstruction of historical development, economic non-

sense and moral injustice. French revulsion against every departure from the principle of stability conjures up the picture of the German, with his wild dynamic impulse for change, beating on the gates of the treaty paradise which the French angel guards with flaming sword. But if one looks more closely, the angel takes on the lineaments of Louis XIV and Napoleon I, disguised for simple souls only by the mantle of "security" and the shimmering armor of international treaties.

When a man by nature as little chauvinistic as Ernest Renan could in 1871 sum up the foreign policy indicated for France in the future with the words, "to incite the ever-growing hatred of the Slavs for the Germans, to foster Pan Slavism and to be fully aware of all the ambitions of Russia," one can understand with what ardor from that time on the idea of revenge took over this program as its own. It became one of the fundamentals of French foreign policy in the generation before the World War; today it stands contented at the goal at the end of that road. But even after the goal has been reached, M. Pinon lays the greatest emphasis on intensifying German-Slav antagonism as an indispensable aid to the French policy of hegemony in Europe. In contrast with French nationalism, German nationalism in general, characterized by its profound inability to understand other nations, has sinned above all in its historical attitude toward the Slav race.

According to M. Pinon, the Slavs in Charlemagne's time extended not only as far as the Elbe but to the Weser. Hence the pagan Germanic Saxons, whom Charlemagne subjected to the empire of the Franks, must have occupied some territory other than that between the Elbe and the Weser. Is it, then, so little known that the German Knights of the Teutonic Order were first summoned by Christian Polish princes to that country to war against the pagan Prussians, and that

they were equipped for their Christian cultural task by the universal powers of the Middle Ages, the Pope and the Emperor? What national and religious enthusiasm would inspire a Catholic scholar like M. Pinon if we were concerned here with an analogous undertaking by French knights, such, perhaps, as their settlement in the Peloponnesus in the thirteenth and fourteenth centuries? Of the cities which the Germans established along the coast of the Baltic Sea, of this first opening up of a barbarian world, nothing remains but a row of military stations, and the colonizing activities of the Germans in the East, which will always remain among their great historic achievements, are stigmatized as brutal conquest. But what a paean to French civilization we should hear if Norman citizens had built the Church of Mary in Danzig! It may be merely crass ignorance which characterizes the castles of the Teutonic Order in Marienburg, Thorn, Elbing and Marienwerder as German islands in a territory inhabited by Poles, instead of in the territory of the Lithuanian branch of the Prussians.

One must ask one's self again and again, Is this one-sided picturing of history intended to serve the purpose of inciting "the ever-growing hatred of the Slavs for the Germans"? Allegedly the Germans are the eternal enemies of the Slavs, and especially of the Poles. But in all the years before the World War, when France was allied with Russia, that is, from 1891 to 1914, she never uttered a single word in favor of the Poles, 82 per cent of whose territory was subject to the Russians, and she is today the great complainant against Prussia, to which only 7 per cent of this Polish territory fell by the treaties of 1815.

The whole of this verbal display serves the sole purpose of asserting the inviolability of the German eastern border of 1919; above all, of the Polish Corridor and Upper Silesia. Read only the report of the negotia-

tions at Versailles concerning the fate of Upper Silesia, the indignant and angry outburst by Lloyd George against the French and the Poles, "You will not even permit a plebiscite for territories which have not belonged to Poland for 700 years." And the Polish Corridor, the territory which is chiefly inhabited by Cassubians—not, as M. Pinon says, by a Polish majority—here the severing of ancient, historically united territory has created more bitterness and injustice than giving Poland an outlet to the sea, which could have been accomplished in a different manner.

The war-guilt question, according to M. Pinon, exists because responsibility and historical origins have been confused, and is regarded by the Germans as oppressive merely because it involves the liability for reparations. Is it so utterly incomprehensible to M. Pinon that another nation, even a hated one, can be inspired by a feeling of honor which forbids it to suffer the burden of an extorted admission of guilt which is now regarded by most of the world as false and unjust? The verdicts of scholars may differ, but there is not one that makes Germany solely responsible, nor one that assigns the chief responsibility to Germany. As if the impartial minds of all nations had been idle for years, M. Pinon designates Kaiser Wilhelm II and the German general staff as the only guilty parties, and to add to this a new insult declares that if the Germans were not compelled to pay they would not resent the accusation of guilt.

The treaty of Versailles has, on the foundation of the lie of war guilt, made of Germany a nation with inferior rights, above all, by limiting German sovereignty within its national borders. Do the French really believe that the German nation will endure that forever? It would be perhaps wiser to delete the war-guilt paragraph voluntarily while there is yet time, instead of waiting until a good deal else is wiped out with it.

M. Pinon does not think it is worth while to discuss the financial question, but here at least is a verdict from an impartial, non-Germanic source which may suggest to him that there are persons of a different opinion. In the monthly report of the Midland Bank of London (February-March, 1931; Quarterly Graphical Survey No. VIII) we read: "The Dawes committee in 1924 considered Germany's capacity to pay, clearly recognized the importance of the price level factor, and the monetary amount of Germany's obligations was made subject to adjustment on account of variations in this world price level. When the Young committee, however, reconsidered the same question in 1929 this provision was swept away, with the result that Germany's capacity is now far more heavily taxed than under the Dawes scheme, even though the monetary sums have been somewhat reduced." M. Pinon, in proclaiming the unchangeability of the treaties, does not appear to be impressed even slightly by the fact that in view of an economic world crisis which has most severely shaken a number of the victorious States, Germany's reparation obligations assume an entirely new character. He speaks like Shylock:

I'll have my bond; speak not against my bond.

I have sworn an oath that I will have my bond.

Can one expect a different attitude on the territorial question? How can the German, whose conception of justice, according to M. Pinon, has no room for justice to other peoples, speak in the name of justice? For this reason I will not be so bold as to speak here as a German, but will let a Frenchman speak. Romain Rolland, one of the noblest and most intelligent of living Frenchmen, wrote in the *New York Nation* of April 22, 1931: "The fact is, the boundaries established by the treaties of 1919 cannot from the point of view of two-thirds of Europe be maintained. Our French

informants stop their ears to the agonized cries of the vanquished countries. Germany, rubbed raw, whose enormous energy is being reborn—Germany is starved and will not be able to bear this repression more than a year or two without social and na-

tional convulsions that will make the Western World tremble." M. Pinon, I fear, will be one of those Frenchmen who stop their ears until the thunder of an earthquake opens them, and the revision of the treaties will come too late for them also.

III—The Age-Long Franco-German Conflict

By ROBERT DELL

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EVERY one agrees that reconciliation between France and Germany is an essential condition of permanent peace in Europe, but, in spite of Locarno and improved relations between the two nations during the last six years, a real settlement seems unlikely in the near future.

The quarrel between France and Germany, more than 300 years old, is at bottom a quarrel about the Rhineland, to which the French claim made in the seventeenth century was the first cause of the trouble. Richelieu originated that claim and for three centuries it has been one of France's principal aims as a European power. Richelieu's policy took shape in the intervention of France in the Thirty Years War. The result was the annexation of Alsace to France by the treaty of Westphalia, which was completed by the conquest of Strasbourg in 1681. At the end of the eighteenth century the French again invaded Germany, and Napoleon became the master of a large part of German territory. The treaty of Vienna in 1815 deprived France of all the territories conquered by Napoleon and put the French frontiers back to where they were before Jan. 1, 1792. France thus retained Alsace and also Lorraine, which had been united to the French Crown by the marriage of Louis XV with Mary Leczinska, daughter of the last Duke of Lorraine.

Though the French were forced to

abandon the Rhineland, they still claimed it. As the Empress Eugénie avowed to Paléologue, the aim of annexing the Rhineland inspired Napoleon III to declare war on Prussia in 1870. France, however, was defeated and had to suffer the loss of Alsace-Lorraine. Thenceforth the chief aim of French policy was the recovery of Alsace-Lorraine, and the claim to the Rhineland was forgotten until it was revived during the World War. In 1917, when the Austrian Emperor, Karl, made his peace proposals through Prince Sixtus of Bourbon, Poincaré in his reply demanded the permanent separation of the Rhineland from Germany. It was not to be openly annexed to France, but was to be made an autonomous State permanently occupied by a French army—annexation in everything but name.

At the peace conference in 1919 the permanent separation of the Rhineland under the conditions mentioned was again demanded by France, but the opposition of President Wilson and Lloyd George forced the French to withdraw the demand, and temporary occupation of the Rhineland was substituted for it. Poincaré, however, did not abandon the policy of separating the Rhineland from Germany. In 1922 he sent Dariac, a French Deputy, to the Rhineland to report to him on the best methods of achieving this aim. Though Dariac's report was confidential, it was published in the *Manchester Guardian* in November, 1922,

and its publication ruined Poincaré's policy.

Complete reconciliation between France and Germany would have been possible at the end of the World War had France so desired, but at that time she did not. On visiting Germany in 1921, for the first time after the war, I was assured not only by all Germans but by all foreigners who had been in Germany during the war, that there was no hatred of France in Germany. There was bitter hatred of Great Britain, because of the blockade which inflicted the most terrible sufferings on the German people and which was continued for months after the armistice. But France was regarded as being largely the victim of the Russian alliance, and for that reason the German attitude toward her was more friendly than toward the other allies. Yet, when I returned to Germany in 1922 for a stay of nearly three years, Great Britain had become extremely popular and France was universally detested.

This change was brought about in the first place by the action of the French authorities and of the French Army in the occupied territory. When the war was over, the British, and the Americans, too, acted on the principle that one must not hit a man when he is down, whereas the French and Belgians thought that this was the time to kick him. For example, when the British and French military commissions arrived in Berlin after the armistice the British officers were ordered never to appear in public in uniform. The French officers, on the other hand, not only flaunted their uniforms all over Berlin, but even ordered the bands in cafés to play the Marseillaise. On one occasion the conduct of some French officers in the Hotel Adlon was such that the Germans present began throwing at them plates, glasses and anything else that came handy.

In the occupied territory the French military authorities behaved similarly during the earlier years of the occu-

pation. There was a change for the better in 1924 when the Herriot Government appointed General Guillaumat Commander-in-Chief in the Rhineland. Conditions were also better in the first few months when most of the French officers were mobilized civilians, but when professional officers took their place in the occupying army conditions became worse. The behavior of the Belgians was even more discreditable. The inhabitants of the Rhineland were subjected to every sort of petty humiliation.

People were afraid to go into the woods on Summer evenings, because they were frequented by French soldiers, including black soldiers. The use of black troops by the French Government in the occupied territory was an outrage, not because they were black, but because they were uncivilized. As far as I could gather, the black soldiers behaved no worse than the others—they were indeed under stricter discipline. Nevertheless, their presence was an insult to the Germans and it was meant to be.

The policy of the French Government excited as much bitterness in Germany as did the conduct of the French Army in the occupied territory. Every excuse was seized upon for occupying further German territory. On one occasion the French went into Frankfort without the consent of the other allied governments, and indeed in opposition to their known wishes. A crowd of inhabitants had assembled merely out of curiosity to see the black troops, and the French officer in command, thinking the intentions of the crowd hostile, gave the order to fire, with the result that several people were killed and injured. One happy thought of the French high command was that of putting a Senegalese band to play on the square in front of the Frankfort Opera House. The French were forced to leave Frankfort by the intervention of Lloyd George.

Far worse was the occupation, at

the beginning of 1923, of the Ruhr. In this Great Britain refused to take any part, on the ground that it was a violation of the treaty of Versailles. Bonar Law, who was then British Prime Minister, offered to cancel the whole of the French debt to Great Britain if Poincaré would forego the occupation of the Ruhr, but Poincaré refused. He was determined to humiliate Germany, and moreover he regarded the occupation of the Ruhr as a step toward the separation of the Rhineland from Germany.

Certain things done by the French military command in the Ruhr must have been almost if not quite unprecedented. For example, when a town refused to pay a fine inflicted on it because of some incident, such as a hostile demonstration against the French Army, the French soldiers were instructed to collect the money in the streets from individuals, whom they stopped and ordered to empty their pockets. This authorized system of highway robbery for the benefit of the French Government degenerated in some cases into highway robbery for the benefit of the soldiers themselves.

Even the occupation of the Ruhr did not, however, do so much harm to Franco-German relations as the "autonomist" movement for the separation of the Rhineland from Germany started by the French military command and financed by the French Government. It was started by the late General Mangin, the first French commander in the Rhineland, at the beginning of the occupation. Though Clemenceau was obliged by pressure from the British Government to recall Mangin, his policy was continued. In 1918 there was a strong feeling in the Rhineland in favor of separation, not from Germany, but from Prussia, and possibly, had the French behaved differently and cultivated the friendship of the inhabitants, this feeling might have become a movement for separation from Germany. But French policy

defeated itself and this tendency died out. Naturally a movement led by paid agents of a foreign government excited only disgust on the part of all decent people. The movement failed, leaving behind it a legacy of hatred, while its leaders were driven into exile.

While the policy of the French Government was a blunder as well as a crime, the methods of the British and American occupying armies were quite different. The British military authorities were by no means lenient when a German committed any offense against the British Army. The sentences of the British courts-martial in such cases were often much too severe and the convictions were sometimes unjust. Nevertheless, the British Army succeeded in making itself liked by the inhabitants of the occupied territory and, when Cologne was evacuated, the Burgomeister in a public speech of farewell declared that the occupation had strengthened the ties of friendship between Great Britain and Germany. The reason was that the British studiously avoided anything in the nature of pin pricks or petty humiliations. Soldiers were instructed to observe the regulations of the German authorities. Notices to that effect were, for example, posted in the cafés of Cologne. The relations between the British soldiers and the inhabitants were most cordial, and the occupation resulted in many marriages between British soldiers and German girls. The British soldiers in Cologne had indeed strong pro-German sympathies. One of them remarked to me: "A lot of our fellows are beginning to think that we fought on the wrong side."

Since 1924 French policy in regard to Germany has changed very much for the better. The Dawes plan was the point of departure; it was followed by the evacuation of the Ruhr; then came in 1925 the treaty of Locarno; in 1926 the famous meeting between Briand and Stresemann at Thoiry, and then the two Hague conferences in

August, 1929, and January, 1930. The Young plan adopted at The Hague was a genuine attempt to settle the reparations question, but far more important than that was the evacuation of the Rhineland which was the consequence of the Young plan. The British and Belgian occupying armies left at the end of 1929, and on June 30, 1930, the last French soldier left the Rhineland.

This, one would have thought, should have brought about a final reconciliation between France and Germany, but it did not, largely because all concessions by the French were made so grudgingly that their effect was destroyed. Although it was evident that the occupation of the Ruhr could not continue after the adoption of the Dawes plan, Herriot in August, 1924, delayed evacuation as long as possible and yielded only under pressure from the American financiers, who bluntly said there could be no Dawes loan unless the Ruhr were evacuated. In August, 1929, at The Hague it was evident that, when once the reparations question had been settled, it would have been a violation of the treaty of Versailles to continue the occupation of the Rhineland, since it had already been declared that Germany had fulfilled her obligations in regard to disarmament, but Briand held out against evacuation until the last moment, and gave way only when Arthur Henderson said that the British troops would leave the Rhineland at the end of 1929, no matter what the French did. The Germans naturally allow no credit to the French for concessions made under pressure.

French policy, moreover, has not been consistent. Briand, to cling to office in all circumstances, has been forced into shifts and expedients to secure acceptance of his policy by a Parliamentary majority in reality opposed to it, and has been obliged to take back with one hand what he gave with the other. Always declaring Franco-German reconciliation to be

his aim, he has at the same time denounced the union of Germany and Austria as meaning war, asserted that there can be no revision of the peace treaties, and declared that France would not reduce her armaments without further guarantees of "security," although Germany and the other conquered nations are disarmed. In short, reconciliation between France and Germany is not possible until France admits that Germany as a nation is an equal, but so far France refuses to do so.

The treaty of Locarno, the authors of which were Lord D'Abernon, formerly British Ambassador in Berlin, and in a secondary degree the late Dr. Stresemann, was agreed to by the French Government only with great hesitation and after months of negotiation. To this day neither the treaty nor the policy that it represents has really been accepted in France. The French object to this treaty because it is bilateral, whereas they wanted a unilateral guarantee by Great Britain against Germany. Yet the bilateral character of the treaty of Locarno is of its very essence. It was the brilliant idea of Lord D'Abernon who recognized that France and Germany could never be reconciled unless Great Britain acted as an intermediary between them. A unilateral guarantee on one side or the other would have made reconciliation impossible. By the treaty of Locarno, Great Britain and Italy undertook to support either France or Germany against an aggression on the part of the other. This puts France and Germany on an equality, and that is what the French do not like.

The French see that equal rights for Germany mean (1) that either France and other nations must accept the disarmament conditions imposed upon Germany, or Germany must be relieved from them; (2) that Germany and Austria must be allowed to unite if they both wish it; (3) that there must be a revision of certain

provisions of the treaty of Versailles imposed upon Germany by force. If fear is the motive of the French refusal to grant equality to Germany, that refusal is very unwise since it is likely to produce the results that are feared. If France continues to refuse to disarm, it is plain that sooner or later Germany will rearm, and France will not be able to prevent it, for the other nations of Europe other than her own allies will not support her in preventing it. If, on the other hand, France agrees to general disarmament under effective international control, this danger will disappear. If France continues to oppose the union of Germany and Austria, which was made inevitable by the splitting up of Central Europe into a larger number of nations in accordance with the peace treaties, that union will nevertheless come about some day in spite of her and against her, and then it may really be a danger to France. In itself a union between Germany and Austria would be no danger to France at all if France and Germany were really reconciled. If France continues to oppose all revision of the peace treaties, in the end they will be revised against her and probably in a much more drastic way than if she acquiesced in their revision.

Germany wants no revision of the new Franco-German frontier. By the treaty of Locarno she voluntarily renounced Alsace-Lorraine forever, and the great majority of the German people have accepted that renunciation and have no desire to recover Alsace-Lorraine. Moreover, the treaty of Locarno is the most specific and effective guarantee of the existing Franco-German frontier that it is possible to give. Never will Germany dare to attack France when she knows that Great Britain would be bound by the treaty of Locarno to go to the aid of France, and would unquestionably fulfill her obligation. What Germany wants is a revision of her eastern, not western, frontiers, and in particular

of the impossible situation caused by the Polish Corridor. It might be possible to solve this problem without actually returning the territory to Germany, but only if it is done at once. The longer the matter is postponed the worse the situation becomes. It would be easy for the French Government to bring pressure on Poland to make proposals for remedying the present impossible situation, but unfortunately the French Government backs Poland in refusing to discuss any modification of it.

Fear, however, is not the real motive of the French attitude toward Germany. No doubt the French people are afraid of Germany and also of Italy, but only because their fear is worked up by a tied press controlled by the government. The French general staff are afraid neither of Germany nor of Italy. They know that France could easily deal with both of them in present conditions, apart from the treaty of Locarno. The fundamental obstacle to reconciliation between France and Germany is the system of alliances devised to bolster up French hegemony on the Continent of Europe. It is because the rulers of France cannot bring themselves to abandon that dream of hegemony, because they cannot admit German equality, that reconciliation between France and Germany is impossible.

That explains the failure of the policy of Locarno, of which the treaty was the outward and visible sign. The logical consequence of Locarno was the abandonment of the French system of alliances. Briand undoubtedly knew that, but his colleagues in the government did not agree with him, and as he would not resign he had to pursue two inconsistent policies. The inconsistency has become the more glaring since Briand's scheme of what he calls European federal union, for such a union is not possible unless all the European nations are on an equal footing. No European union can be reconciled with particu-

lar alliances. If the French system of alliances continues it is inevitable that a rival combination will come into existence sooner or later, perhaps an alliance between Germany, Italy and the Soviet Union. Europe would then once more be divided into two hostile armed camps.

If, on the other hand, France can abandon her dream of European hegemony, agree to general disarmament

on the same conditions for all nations, including those conquered in the war, consent to treat Germany as an equal and to consider her reasonable demands, and discard alliances with particular nations, which are incompatible with the spirit, if not the letter, of the League covenant, then Franco-German reconciliation and European unification would become possible.

IV—The Keystone of French Foreign Policy

By LINDSAY ROGERS

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FOR many months now France's attitude toward the European situation in general and toward disarmament in particular has not seemed calculated to make the political barometer remain high. Is French policy calculated to make European peace more certain? Is it likely to help economic recovery? Will not France be the stumbling block in the disarmament conference of February, 1932? Is not France so preoccupied by being "strong and resolute," as a writer in *Le Temps* put it the other day, that she is indifferent to the appeasement and prosperity of Europe?

Outside France only an incorrigible optimist would venture optimistic answers. Even the States of the Little Entente, bound to do lip service, show some uneasiness. Elsewhere pessimism in respect of the French foreign policy is usual. So far as supporting world opinion is concerned, France is becoming more and more isolated. Her friends and supporters are dwindling. Why is this the case?

The vast majority of Frenchmen know nothing of foreign policy. All they care about is an opportunity peacefully to make a living. Of what direct or even remote concern is it to the French peasant if Germany and Austria do or do not enter into their customs union? He is indifferent to

questions of foreign policy save when his hopes or fears are aroused. This is done by a handful of "statesmen." They excogitate a particular policy, which takes its shape from a variety of forces. The statesmen may believe it to be "sound" and to be demanded by "French interests." Through its espousal they may hope to enhance their own reputations. The opinions they express may be contrary in part to their own convictions, but may be dictated by the milieu, political, financial and social, in which they move. Their views on international questions may result from a desire to stay in or to qualify for office. The permanent officials of a foreign office may force foreign policies upon politicians because the latter are uncomprehending or timorous. Pontifical pronouncements in newspapers by journalists with positive views (or with clients who have certain interests) may move statesmen to action or inaction. These journalists are said to represent "public opinion." They now represent little more than themselves or their employers.

All this is true of the foreign policy of any country. It has special pertinence at the moment because of the orientation of French policy. Clearer thinking might be achieved if one avoided the use of the term "French

foreign policy." Instead, one might say "the foreign policy of the Quai D'Orsay, which the Foreign Minister is at present supporting"; or "the views of Pertinax, with which the government is now agreeing." A foreign policy, that is to say, can be called French or British only in the sense that at the moment it is being espoused by governmental spokesmen. It may not represent the true desires of the country. It may be contrary to the country's true interests. Critics may be advocating a different policy, which will shortly be accepted and will become *the* foreign policy of the country. These considerations are particularly apposite in respect of France, for that country seems to have two foreign policies.

One policy has been associated with the name of Briand. Foreign Minister for six years, he has kept France from being as intransigent and intolerant as France would have been under, say, Poincaré or Marin. Obviously, Briand has not been permitted to go as far as he would have liked. He has been constantly checked by the permanent officials of the Quai D'Orsay and by fear of Parliamentary disapproval. A Chamber majority has supported him, not because it approved of him but because it did not dare to put him out. Yet Briand, in his objectives, has been hardly less nationalist than Poincaré. It is his methods to which objection has been made. The orientation of French policy is therefore alarming, despite the fact that Briand has been Foreign Minister. It became more alarming when Briand was defeated for the Presidency of the republic. That incident serves rather spectacularly to indicate that the policy of appeasement and rapprochement associated with Briand is not approved by majorities in the Chamber of Deputies and the Senate. Even in methods France has not been sufficiently "strong and resolute."

Frequently during the last few years some, even many, of the most determined opponents of the Briand

policy have been found in the division lobby supporting the Cabinet, of which he was a member. His real supporters, the Socialists and Radical Socialists, have been recorded in opposition to him because they were unwilling to vote confidence in centre Cabinets. This contradiction could be permitted to continue when the stake was the avoidance of a change of government; it could not be permitted when the stake was the election of a President. Briand's failure to reach the Elysée because of lack of Parliamentary support for his foreign policy is a fact of tremendous concern to Europe. It indicates that in France there is insufficient concern for a more appeased and prosperous Europe.

Some of Briand's most ardent critics, of course, associate themselves with the ends which he hopes to reach. His policy of peace, they say, has their whole-hearted support. Objections are made only to his methods, but with European relations as they now are, methods are of vital importance. Briand's methods have been those of the League of Nations. If France has a good case it will survive discussion. If the case is bad the discussion will indicate the concessions which are desirable. Briand has given nothing away which any of his critics, had they been in power, would not have had to yield. They could have done no more than postpone the unhappy moment. Briand's opponents overlook this fact. His great sin has been that he has shown concern for ordered international relations as well as for French hegemony, and that he has conceived French hegemony to have a moral as well as a material basis. He has offended also in that he neglects, as Jacques Bardoux does not, always to think of the France of 1931 as "France victorious," and to view international negotiations as no more than a means of consolidating victory. His attitude toward Germany is not based on the premise that Germany was solely responsible for the

outbreak of war in 1914, is unrepentant and is awaiting the day when revanche will be possible.

This attitude, or perhaps it would be better to say this lack of emphasis, is anathema to some of Briand's critics. Their reasoning, to borrow from a writer in *Le Temps*, is as follows: France wishes peace. Unfortunately some other nations do not. For them war is the "supreme, decisive and normal argument" in international disputes. It follows that a State opposing French policy (even in the particulars resulting from recent economic or political forces) opposes the French policy of peace. Such a State cannot be argued with. It must be kept down by force. For if such a State is given an inch it will take an ell. Even though that inch or ell does not directly affect French interests it must be resisted. If it is not, French efforts to achieve security will be unsuccessful.

As has frequently been pointed out, this continuous insistence on security is a dominant motif of French policy. The insistence, logical enough in its essentials, seems in its particulars to amount to an obsession. Needless to say, security is never defined. The steps which must be taken before it is achieved are never enumerated. This indefiniteness is understandable, for in the last analysis security is a state of mind. Lack of security, however, can be alleged as a justification for a good many things—for refusal to reduce armaments, for delays in the evacuation of the Rhineland, for border fortifications, for aircraft, for opposition to the Austro-German customs union.

Yet if one calmly examines the structure which since the war has been erected to shelter France from European storms the conclusion is inevitable that a considerable measure of security has been achieved. The peace treaties disarmed Germany and reduced her territory. They divided Austria and Hungary and made them

prostrate. They created a ring of satellite States, with which France promptly concluded alliances. Despite vagueness in respect of sanctions, the covenant of the League of Nations gives general security. France asked for reinsurance in the form of an Anglo-American guarantee of help against Germany. That proposal failed. An even more effective guarantee, however, is to be found in the Locarno accords. Reparations must be paid by Germany for many years. All European States have made a solemn renunciation of war as an instrument of national policy.

Does not this structure afford security? Does it not afford a larger measure than is possessed by any other European State? Yet France, not content with the foundations of the League, Locarno and the Kellogg pact, has built other foundations with the old diplomacy of special alliances. In addition, the peace treaties made France the most powerful country in Europe. After Versailles there was no State which could challenge French hegemony. Austria-Hungary, imperial Germany and Russia were gone. Despite this commanding position, however, there are few in France who are willing to admit that legal and material security is so great that security of mind should inevitably follow. Why is this the case?

One explanation may be found in the French passion for security as individuals. Interpretations of national psychologies are always extremely risky, but it is fair to suggest that the individual desires of Frenchmen for security permit a good deal of cant about international security to go unchallenged. The ambition of the tradesman is to amass a competence so that shortly after middle age he can retire and live on an independent income. He is frugal and industrious in order to achieve economic security. The attitude toward the civil service, vastly different from the English conception of a profession or the American ad-

mission of a *pis aller*, is explained by a general desire to avoid uncertainties in the future. Even the competition for university professorships is keener, because those who are successful have permanent tenure and are certain to occupy the highest posts, when they become vacated through death or age. This individual state of mind aids the politicians who discuss national security and allege that it has not been achieved. A responsive chord is struck. Allegations of insufficient security are difficult to answer.

For the individual the guarantees are adequate. At least he can demand no more without being absurd. Laws and traditions which prevent removals from the civil service, retirement regulations which will not become less liberal, associations which will constantly press for higher salaries and pensions—what further guarantees could the civil servant request? One may ask what further guarantee France could have internationally. That question is never answered explicitly. Of course, there can be no certainty in respect of the effectiveness of the League machinery, the application of the Locarno accords or non-violation of the Kellogg pact. But armies and fortifications have failed to give security. Indeed, they have smaller powers of resistance than have peace pacts, for in them are bred the germs of war. Again, one may wonder whether any security of mind will be possible so long as France continues to impute aggressive ambitions to her neighbors. All this, even though it does not excuse, may in a measure explain, the fundamental irrationality of French policy.

In order to disguise this irrationality, certain legends must be preserved. French publicists must argue that Article 231 of the treaty of Versailles expresses the truth—that the war came because of "the aggression of Germany and her allies" and that Germany justly accepted responsibility for "all the loss and damage which were caused." As diplomatic revela-

tions are made and as discussions of war origins suggest that war guilt is perhaps not undivided, the pertinent issues cannot be fairly examined. The new evidence must be brushed aside. For if it is admitted that Article 231 is in too extreme terms, the French will not be able to rely on the theory that the peace treaty properly puts Germany in a state of nonage. Moreover, in support of this legend of Germany's exclusive responsibility for the war an ancillary legend must be kept current—that Germany now shows unmistakable signs of awaiting the day when the Versailles settlement can be revised by force.

Hence every indiscretion by a German politician, no matter how obscure and uninfluential, is seized upon, magnified and declared to be a threat. Some legends are circulated for a while and are dissipated by inconsistent events, but other legends take their place. When Hindenburg was elected to the Presidency of the German Republic the portent was grave. The fears turned out to be false. Every Reichstag election has been a similar portent. If the moderate parties gained, the meagerness of their gains was alarming. If the moderate parties lost, the increased strength of the extremists was the menace.

To the French publicists who take this line in their articles, the Reichstag elections of September, 1930, were a great boon. If these elections had resulted differently, however, similar conclusions would have been drawn. That clearly appears in *Le Temps*, in the articles in *Le Journal des Débats* by Pierre Bernus and in the fulminations of Pertinax. These, unfortunately, are the principal opinions exported from France. They originate in Paris and, as in most countries, non-metropolitan views are much more moderate. It is in the capital that the career diplomats, the armament manufacturers and high society exert their chief influence. Counter-influences are always difficult. Statesmen and journalists who

wave the flag are more certain of applause than if they preach reasonableness. Even Herriot waved the flag on the Austro-German customs accord. In office he would have been more moderate, as he demonstrated in 1924. Briand, likewise, cannot be as liberal in speech as he is in action as Foreign Minister. The irreconcilables have the great advantage of commanding an influential press which plays on popular fear. That is an excellent string for a paean of security. But there are grave dangers, which Bismarck well knew. "Every country," he declared, "is held at some time to account for the windows broken by its press; the bill is presented, some day or other, in the shape of hostile sentiment in the other country."

Every step forward in Europe, it is abundantly clear, must mean some amelioration of the conditions imposed by the peace treaties. Appeals to popular fear are used to oppose every suggested amelioration. The peace treaties must continue to be strait-jackets for Germany and, indeed, for Europe. Behind this attitude there are factors which cannot be covered by treaties. France is obsessed by knowledge that her 40,000,000 inhabitants are 20,000,000 less than Germany's population. Germany has been disarmed in a military sense. She cannot be disarmed in an industrial sense. Her birth rate is higher than the French birth rate. And her industrial efficiency is immeasurably greater. These, as has been pointed out, are matters which cannot be dealt with in treaties.

The French, almost admitting their self-delusion, maintain that the only hope of protection lies in the maintenance of the treaty of Versailles to the last letter. Hence the French passion for insurance and reinsurance against an attack by Germany. Hence the fortifications along the Franco-German frontier, the swelling expenses for war establishments and the alliances with satellite States. A

few weeks ago in Berlin Henry de Jouvenel, a distinguished French Senator, deprecated the German campaign for the revision of the treaties. He declared that that policy was not aiding European appeasement and added: "It is not a matter of revising the treaties to organize the peace but it is necessary to organize the peace to revise the treaties." As sensible an utterance as this was bitterly denounced in the French press because it did not close the door to any future consideration of the provisions of the Versailles settlement.

In this attitude of mind, moreover, is to be found an explanation of French hostility toward post-war diplomatic methods. The execution of the peace treaty requires negotiation. The terms of peace are not simple. They make up a volume. Inevitably there have been differences of interpretation. The solidarity of the victorious States—so difficult during the war—has been far less solid during the peace. Their legal experts have differed. Their politicians as well have differed in their views of what is expedient. France's attitude is always that she is entitled to support. She has never been willing to be argued with or restrained. That feeling, in part, explains the search for allies. She looks upon the League of Nations as an instrumentality which may say that France is unreasonable and should make concessions. The chances of this can be lessened by using the old diplomacy to combat the pressure of the new.

This argument has been well put by Jacques Bardoux. "Under the treaty of Versailles," he writes, "it is necessary at each step to negotiate with the co-signatories. Now he who says negotiation says bargaining and transaction. Everything depends on the negotiator, on his experience and his authority. It is necessary in the next place to maintain that solidarity of the conquerors which the execution of the treaty presupposes and

which guarantees the stability of Europe. This is a task which is inseparable from the first, scarcely easier. It was less difficult to group the young and democratic States which the common victory had anointed great powers; the defeat of France no one doubts would toll the knell of their decline." Some of these assumptions seem too extreme to require critical analysis. Can it be maintained that "solidarity of the conquerors" on French terms is really necessary for "European stability?" Is the diplomatic "defeat" of France regrettable irrespective of the rightness or wrongness of the diplomatic position which is taken?

Bardoux, however, represents widely held opinions. France has felt that she could not rely on the League of Nations to enforce the sanctions of the treaty, and the only course remaining was to enlarge the network of her European friendships. Seven years were necessary for its construction. Meanwhile, French writers on foreign policy have hesitated to criticize French support of the League of Nations. On the contrary, they asseverate that France has given the League whole-hearted support. They then proceed, however, to discuss the vacillations and delays at Geneva, the publicity of the meetings, the feminine character of the audiences and the failure of the Secretariat or the permanent delegates to take account of these frequently repeated criticisms. The political writers can boast, nevertheless, that at Geneva France has never been isolated as was the case at the Washington, Genoa and London conferences. In general, however, France shows a yearning for the old diplomacy by correspondence rather than by conference. In correspondence intransigence is less manifest than in conference. Extreme positions can be maintained with less criticism. Pressure for concessions is less strong.

This is not, I think, an unfair view.

The plain fact is that France no longer enjoys the plaudits and the sympathy of the world as she did at the conclusion of the war. Military victory had been achieved but at a terrific price. Her man power had been exhausted and her territory was devastated. It even seemed possible that while the war had been won the peace had been lost. Sympathy began to dwindle, however, with the invasion of the Ruhr. The decline was checked in 1924 when the elections went to the Left and the cartel was formed. There were changes in French foreign policy. During 1926, when French finance was in a bad way, there was an abundance of good-will and encouragement. A change came again in 1927 when Poincaré demonstrated that stabilization of the franc had been achieved. Meanwhile, the Dawes plan, Locarno, and the admission of Germany to the League served to obliterate the memory of the Ruhr, the continued insistence on impossible reparations and the village sermons with which in 1922 and 1923 Poincaré had disturbed the peace of so many Sundays.

Then in 1928 the Left became less influential in the Chamber of Deputies. Briand began to be tolerated rather than applauded. The Poincaré fiscal policies had resulted in a great augmentation of the gold reserves in the Bank of France. World depression began its preliminary devastations. France was almost alone among European States in not suffering severely from unemployment. Other nations were slightly jealous. "France victorious" was more concerned about maintaining her hegemony than about anything else. The balance of power was all one way, for France's commanding position in Europe would still be commanding if she limited her armaments and agreed to the *Anschluss*.

The French attitude on the Austro-German customs union has served to increase criticism. That agreement

was made and announced with unfortunate precipitancy. Germany may have thought it necessary, because of uncertainty as to Austria's position, to announce an accomplished fact rather than an intention. She may have been unwilling to rely on an Austrian promise to sign. One result, however, was to enable the French press to denounce method as well as matter. The "brutal" way in which the news of the customs union was sprung on Europe has been repeatedly stressed. Any economic justification for it has been ignored. There had been a "brutal" announcement of a first step toward the *Anschluss*. Such a step must be uncompromisingly opposed. The Little Entente must be brought into line. Naval agreement with Italy must be held up because the latter power was not immediately hostile to the Austro-German proposal. The matter must be considered from the standpoint of national policy alone—national policy as conceived by French nationalists and not as suggested by the general European situation. That economic conditions in Germany and Austria might require a customs union to avoid disaster was irrelevant. This attitude of France, it should be said plainly, increases the hopes in third States that Germany's pleas will receive consideration.

In short, it is being more and more generally maintained that France fails to realize her moral responsibilities. War leaves more than devastated areas of territory. Moral reconstruction is as necessary as material reconstruction. For the latter France did a

brilliant job. One cannot say that, at least before Briand became Foreign Minister, France was interested in the moral rehabilitation of Europe and Briand has remained Foreign Minister because of sufferance rather than enthusiasm. Even Bismarck clearly saw some of the imponderables which France completely ignores. After the Franco-Prussian war he sought a genuine reconciliation with France. He sincerely wished to eliminate the possibility of a war for revenge. French preoccupations now seem precisely opposite. France as the dominant power in Europe is following the same mistaken course which Germany followed before 1914. French statesmen might profitably study this phase of Germany's history.

Bismarck, indeed, was not unmindful of those eloquent words of Burke in his speech on conciliation with America: "Magnanimity in politics is not seldom the truest wisdom; and a great empire and little minds go ill together. If we are conscious of our situation and glow with zeal to fill our places as becomes our station and ourselves we ought to auspicate all our public proceedings on America with the old warning of the Church, *Sursum corda*. We ought to elevate our minds to the greatness of that trust to which the order of providence has called us." It will be said that this is idealism. Of course it is. But what other policy promises peace and prosperity? Lack of magnanimity in politics has repeatedly proved to be the truest stupidity. Statesmen should strive for the truest wisdom, but their minds cannot be little.

Maxim Litvinov: An Intimate Study

By PAUL SCHEFFER

Washington Correspondent, Berliner Tageblatt

[The writer of this article, before coming to America, was from 1921 to 1929 the Moscow correspondent of the *Berliner Tageblatt*. In Moscow his friendship with the late German Ambassador, Count von Brockdorff-Rantzau, enabled him to obtain an inside knowledge which no other newspaper correspondent possessed and to write articles on the affairs of the Soviet Union which were widely quoted. As a result of his outspoken criticisms of the Soviet régime, after a visit to Berlin in 1929, he was refused readmission to Russia.]

MAXIM MAXIMOVITCH LITVINOV belongs to that generation of Russian revolutionaries favored by destiny who sowed the seeds of their creed and lived to see the harvest during their lifetime. By a turn of history, exactly of the kind prescribed by the teachings of Marx and Lenin, Russian capitalism was overthrown. When the World War shattered the already shaken foundations of the Czarist empire, the bourgeois Liberals and "pink" Socialists tried to secure the inheritance for themselves. But final victory was reserved for the Bolsheviks because they ignored reality as it presented itself to traditional thinking; after the collapse of Czarism, they followed the way which had been planned and elaborated for twenty years.

Litvinov was born in 1876 at Bielostok, a little town in Poland. His parents were Jewish "petty bourgeois." His family name was Wal-

lach; yet it is not mentioned in the various Soviet encyclopedias which refer only to his numerous *noms de guerre* which served him in his revolutionary activities until he became "Litvinov." He attended a gymnasium and then served in the army. Though already interested in Marxism while at school, he appears to have joined a Socialist organization only in his twenty-second year. Soon he was arrested and condemned to five years' exile in Siberia, but escaped—as did all his now famous colleagues, not once but many times. Today nobody ever escapes from exile when it is ordered by the Soviet Government, though the number of political deportees on such grounds must be considerably greater.

After leaving prison on his own accord, Litvinov continued the normal course of events by proceeding to Switzerland. He was not spoiled, as were many other youthful revolutionaries, by the comforts granted to "dangerous" exiles by the liberal governments of the West and did not succumb to the amenities of "capitalist life." Twice Litvinov returned to Russia and during the years of his revolutionary career before 1917 he used several false names to protect himself against discovery, both in Russia and abroad. For twenty years Litvinov was concerned with underground activities, much of the time as an agent between the revolu-

tionaries inside and outside Russia. As a result he lived several lives simultaneously, going back and forth between different centres of revolutionary activity. When in Europe he assumed the rôle of an inoffensive bourgeois.

In the years before 1917 he conspired with the laboring masses within Russia, preaching to them, organizing them, and meanwhile participating in the endless warfare for the correct interpretation of the revolutionary ideal that was going on among the different Marxist groups which were working to undermine Czarism and Russian capitalism. Litvinov was arrested in Paris in 1906 when he tried to exchange some ruble bills at the *Crédit Lyonnais*. He was searched and a considerable sum in 500-ruble notes was found on him. These notes were identified as part of the loot stolen at the time of the famous attack at Tiflis, on an armored car of the Imperial Bank, which was perpetrated by Stalin and his colleagues. Litvinov, trying to exchange these funds, acted as the go-between of the future Socialist and the present capitalist world. The French Government, considering the Tiflis incident and Litvinov's efforts to change the money as political actions, expelled him to England. A second, more fortunate, enterprise at about the same time was the smuggling of weapons to Russia for the revolution of 1905. This was done at the order of Lenin. Litvinov, it is said, became fond of this kind of business and lived from its proceeds for some time afterward. From what we know we may safely conclude that Litvinov did much in the way of material aid for the revolution in Russia. In many ways he was the business manager of his small party.

In spite of all the energy Litvinov devoted to the cause of the Russian revolution he was able to lead a full life in other respects. It is a tribute to the cunning, vitality and certainly to the idealism of the man.

In order to aid the revolution in more subtle ways, he cultivated a degree of respectability. He married an English woman of good standing, a member of the Low family. Her uncle is Sir Maurice Low, well known as the Washington correspondent of the *London Times*. Litvinov educated himself in Western ways, although in 1901 when in prison he had severely reprimanded a fellow-prisoner, an enemy of the "present system," because he devoted careful though primitive attention to his appearance. Eventually Litvinov adopted these customs, bourgeois or not, as he was engaged in gaining his livelihood in a bourgeois manner. It was very varied, as it depended on the exigencies of the revolutionary situation. By supporting himself, he supported the revolution as well. At times he was a salesman. During the World War he is said to have been a teacher at the Berlitz School in Rotterdam.

When the revolution broke out, Litvinov was a subordinate clerk in London with the Russian Imperial Committee of War Supplies. Two years before, during the war, he had attended a negligible, as the world then thought, Socialistic Congress at Zurich, together with some leaders known only to a small circle of people. They were Lenin and Bukharin. And yet Litvinov was able to work a little later on that most Czaristic committee in London. He knew how to travel unmolested as a bona fide petty bourgeois through Europe at a time when many harmless people were subjected to all kinds of difficulties. As a whole, however, Litvinov's life before the cataclysm of 1917 has remained unknown in its details. When the news of the collapse of Czarism reached London, he, beaming with joy, was sharply rebuffed when he tried to approach the noble ladies who worked with him on the Russian Imperial Committee. So ended the first period of an artful juggling with forms of life which in itself would have suf-

ficed to exhaust the nervous strength of most men.

Litvinov is an "old Bolshevik"; under Lenin's leadership he parted ways with the milder Socialists at the beginning of the century. He remained on the Left Wing when the question of war was discussed in London in 1915 with other radical Socialist parties and his chief profession has always been that of a revolutionary. He came dangerously near the Left Opposition of Trotsky in 1927 when he was a very influential member in the "collegium" of the Commissariat of Foreign Affairs in Moscow. This "collegium" constitutionally directed the foreign policy of the Soviet State. The Trotskyists demanded that more energy should be devoted to the world revolution beyond the Soviet borders; so did Litvinov. Finally, however, he found his way, though perhaps at the last minute, toward being recognized as a Stalinist. This caused serious misgivings inside the Centre group—Stalin's followers. Perhaps this episode was the one break in Litvinov's otherwise consistent life.

Like most of his friends, Litvinov did for a time the usual literary political work. Chiefly, however, he sought practical work on the business side. He has always been a trader, a business man, a "muddler-through." This distinguished him from the other Bolsheviks who became with him the great figures of the heroic epoch of the Communist revolution after a long residence in the West, and were afterward crushed without exception by the unrefined nerves and uncomplicated minds of the Stalin type. Litvinov alone, though under considerable difficulties which are in the background even today, survived them all. He survived Chicherin whose position he now holds. Chicherin, son of an old, highly cultured Russian family, at one time lived by writing addresses in Paris. Litvinov without any such tragi-comic difficulties always managed to earn a decent livelihood under the capitalistic system. This innate

tenacity, versatility and energy were not less indispensable in his dealings with the enemies in the Kremlin and the party who suspected him because of his bourgeois wife, his "European past" and his occasional deviations from orthodoxy in handling the affairs of the sovereign proletariat in the "first Socialistic Republic" of the world.

After the Bolsheviks assumed power in November, 1917, Litvinov became a "trading commissary" in London. He immediately diverted part of the sums at his disposal to those activities which now have become identified with the word "Moscow." To him it seemed natural that he should try to continue the life which he had led up to that time, but it was not a matter of course for the British authorities; they expelled him from England. Naturally Litvinov had acted in harmony with his friends in Moscow; his mistake was in permitting the discovery of his duplicity, and this slip was to hamper him afterward in his diplomatic functions. It is typical of his broad nature that he did not resent certain rebuffs from the British Government which followed that episode. Unlike Chicherin he has always been considered an Anglophil. Possibly for this reason Litvinov has never exposed himself later to unpardonable discoveries in his world revolutionary ardor. Chicherin acted in an opposite way as is proved by the Chinese White Book on the Soviet activities in China in 1925-27. Chicherin did not mind offending the British and he believed it necessary for his standing in the party to prove his devotion to world revolution. Litvinov never made such far-going concessions. His influence increased slowly and not without severe checks, but he could not be spared. Chicherin's were the great ideas, the subtle theories, the fire-works of the outer policy. Litvinov had to provide the necessary realism; he did "the job."

He, more than anybody else, had the

resources, physical and mental, with which to negotiate "to death" the foreign diplomats in Moscow. He did not mind, he does not mind, working other people to exhaustion. Only once has he himself been seen exhausted—after a protracted discussion with the Japanese Ambassador. "These people appear to have no notion of time whatever!" he exclaimed on that occasion. Nobody knows better than Litvinov how to crush an adversary by lavishing time; nobody does it more artfully.

Litvinov's kind of intellect, his temperament, his moral constitution, are not opposed to relations with the enemies of the proletariat. He laughs at the curious sensitiveness which hampers otherwise hardy men of "the party" in inhaling the same air as capitalists and their manifold "slaves." In rare moments of frankness Litvinov has hinted that he likes to come to grips with the bourgeois world in his own way, to defeat it with his own arms. He is one of the men who would prefer the *Odyssey* to the *Iliad*. The party needs such men! A Litvinov is not afraid to touch capitalism, its procedures and passions, without rubber gloves. He is not afraid of infection from those notions and ideas which to us seem so much a matter of course and to the Bolshevik an object of unending criticism, denunciation and contempt. For Litvinov these very things, so dangerous for Communist purity, have evidently an enormous attraction. To use them on their own terms, in order to bring about their ultimate destruction, is for him deep satisfaction mingled with pleasure. Twenty years ago it would have been described as mephistophelian. This dramatizes and idealizes and dulls a little too much the smile which he often shows when indulging in disputes and skirmishes with the people in the Western World.

In this respect Litvinov is unlike Stalin, who abhors contact with anything bourgeois. Stalin despises the

concessions which are inevitable in fact as well as in their manner for intercourse with the "other world." And innumerable good and sincere Communists despise those concessions with him; otherwise they could not be Communists. Communism could not exist or would be just a theory if men did not feel so strongly about what they call the bourgeois attitude. The fact that capitalism had been able to generate a counter-force, as we see it personified and typified in characters like Stalin, is the determining factor in the present Russian situation and in the world. If all Bolsheviks were Litvinovs bolshevism would be impossible as a power in world politics and as a creative force in Russia.

Yet Litvinov is a real Bolshevik and an extremely useful one. The enlightened leaders at the Kremlin recognize this, although even today the more bigoted, orthodox Communists distrust and misunderstand him. A born dialectician, Litvinov has the subtle, incisive, indefatigable mind that is the product of that great training which is afforded by the Talmud in defining, arranging and using words abstractly. The Talmud has contributed greatly to and has been, incidentally, misused for the efficient presentation of the aims and problems of the Soviet rule inside and outside Russia. It has been of great help to the work of the Commissariat of Foreign Affairs in its specially difficult task of dealing with the capitalistic world. For instance, it is impossible to defend the thesis that the Soviet Government is not responsible for the actions of the world revolutionary centre in Moscow, the "Comintern," which is ruled by the Bolshevik party. Yet it is a pleasure to hear Litvinov exposing the fallacies proving the contrary. With perfect ease he will explain that the dominating "party" in Russia is in no different position from that of a party in any country with a Parliamentary Constitution. Who would hold the government of such a country responsible for the conduct of the parties within

their realm? To discuss this thesis with Litvinov means to lose the battle. But Litvinov is much too intelligent a man to rely on mere juggling of words. He does so only in order to temporize with or irritate his opponent. The divergent tendencies of thought and aim as represented by the bourgeois and the communistic State are an enormous impediment in the contacts which Moscow looks upon as being essential. It has no interest in making too obvious the antagonistic character of Sovietism and class government, during the "provisional period" of the existence of bourgeois governments. At certain moments it must endeavor to veil them. Litvinov does so with infinite adroitness and very often with perfect success as far as his eventual opponent is concerned.

He would not be the consummate artist in negotiation if he did not realize the value of even brutal frankness. In this he is similar to Bismarck, who too, was a great user and misuser of words, and at the same time capable of throwing astonishing facts at the perturbed listener. Litvinov time and again comforted outworn Ambassadors who tried in vain to penetrate Chicherin's attitude on a difficult question by suddenly exposing the point of view of the Soviet Government in unmistakable terms. As a matter of fact, to be frank beyond all expectation is Litvinov's strongest weapon on great as well as minor occasions. He knows well that by utter audacity he can force his opponents to accept the most astonishing statements, especially if they concern principles. If his adversaries answer in kind they destroy the basis on which his negotiations rely. He trusts they will decide to be silent or evasive and leave the field to him.

Perhaps Litvinov's perfect dignity and poise was never better shown than in 1920 when he was in Copenhagen attempting to open negotiations with Great Britain and Germany. Because of his conduct in England a

few years before that country was still closed to him. Russia at the moment was torn by civil war and still menaced by the possibility of foreign intervention. In the Danish capital Litvinov found no shelter and was saved only by the hospitality offered to him in the house of a celebrated actor whose wife happened to be a radical. Yet with all these handicaps, Litvinov acted as though he were the representative of a great power, and the unofficial negotiators, who had been sent by Germany and Great Britain to attempt to discover the intentions of Moscow, were amazed at the extravagant proposals and self-assertiveness of the Communist representative.

The world remembers Litvinov's declaration for absolute military disarmament at Geneva in 1929. On May 18, 1931, at the Economic Conference at Geneva, he made a radical proposal for economic disarmament, but worded in such a way that the present Soviet situation would not be influenced in any material way if the proposal should be accepted. Inspection discloses a similar reservation in the case of military disarmament. A British delegate at the first disarmament conference attempted to analyze and refute Litvinov's bold pretensions that Soviet Russia was the only sincerely peaceful nation in the world. The discussion which followed warned the participants how dangerous it is to answer Litvinov's provocations and to use his methods meant inevitable explosion in the conference.

To Litvinov this was only an opportunity to secure as much prestige as possible for the Soviets. He recognized from the start that bourgeois civilization dislikes violent disagreements, shuns unpalatable truths and hesitates at any examination of principles. So he could discuss unhampered "business" at Geneva, as it is understood there, and at the same time speak "through the window" to the proletariat of the world.

Litvinov, of course, has not always been successful with his maxim, *De l'audace, encore de l'audace, toujours de l'audace!* At times he has overestimated the readiness of others to accept his demands and his proposals under even subtly humiliating circumstances. The first Soviet note in reply to the overtures of the British Labor Government for a renewal of relations with the Soviet Government is an example of such misplaced audacity. The answer to America's exhortation for abiding by the stipulations of the Kellogg pact in handling Manchurian affairs belongs in the same category. Undoubtedly such ill-advised outbursts often spring from a necessity of showing the proletariat at home and abroad that the Kremlin is independent and able to unmask the wickedness of bourgeois diplomacy. Litvinov, however, has always been quick to recognize and if possible to correct his errors—or the mistakes of others—if Soviet diplomacy had gone too far. He collaborated in but was not wholly responsible for the unfortunate notes to Great Britain and the United States. Stalin at that period was interfering in the work of the Foreign Commissariat. Soviet statesmanship has always been able with perfect equanimity to change a previous policy. For instance, a complete reversal was made in the case of Germany in 1929 when Moscow had hoped to cause revolutionary upheavals which would shatter the economic structure of that country and had provoked for this reason the "pseudo-democratic German Government" in the rudest manner. Litvinov's perfect ease in such awkward moments of reversal shows him in the rôle of the perfect manipulator of international conditions.

After all, this means appreciation of the tactical capacities of an unusually gifted and resourceful strong man. There are many good tacticians available on the battlefield of diplomacy, but there is none who has suffered or worked so hard for his

convictions as Litvinov. He is not a mere diplomatist. In all the speeches which he made at Geneva, amid insincerity, pretense and sham-fencing, there has always been one note of superb sincerity inspired by his belief in those very things for which he would commit and has committed not only insincerities, but crimes.

Thirty years of intense life have served only to strengthen and mature the convictions of his youth—that the capitalist system, the institutions it has formed for its interests, the ethics it has generated are immoral. He is one of those strong and rare characters who in a world they denounce as immoral has kept a clear, unadulterated conscience of what the future should be. While constantly in touch with all aspects of bourgeois daily life Litvinov has not lost his zeal in fighting this present world or his contempt for it and the motives, as he sees them, of those who profit by exploitation of the proletariat. In the last resort nothing binds the good Communist to the representatives, statesmen, exploiters of the capitalist world and their dependents. There are no obligations to them of honor, veracity, human feeling or personal sympathy. To submit to such sentiments would mean acknowledgment of the system they personify.

Yet there are good reasons for negotiating, trading, cooperating with capitalism. At last the lever has been found which in due time will throw the traditional world out of balance. This lever, this wedge, is the power concentrated in the Bolshevik dictatorship over a sixth of the world. Only slowly can it be strengthened for its purpose. It cannot shape or develop without material help drawn from those whom it is determined to destroy. You have to persuade the bourgeois, to cajole them, to threaten them, to bribe them into cooperation; you have to cultivate these very enemies, make treaties with them, make friendships and agreements, and ac-

company all these efforts partly by denying or at least hiding, partly by emphasizing the ulterior aims of your policy abroad and at home. You have to convince the bourgeoisie that they can trade and have intercourse with you "as usual." At the same time you have to make the proletariat understand that this official business with the capitalists is only provisional and necessary to their final overthrow—and to trust meanwhile that the capitalists listening to these bold statements will not take them too seriously.

When Litvinov demands complete disarmament in Geneva he asserts that the Soviet State is completely peaceful—the most peaceful power on earth! But he makes his assertions in such a way that the proletariat, enlightened already by all kinds of devices, can understand them as a confirmation of the ultimate overthrow of the existing order. This overthrow will be greatly facilitated by the absence of standing bourgeois armies or by internal weakness brought about by pacifist propaganda.

Neither Litvinov's position nor that of his collaborators is envied by the bulk of the party. It is considered sordid business because the men concerned are obliged to live at least in part like bourgeois, to wear their clothes and think bourgeois thoughts. There are not many versatile persons in the party, born for that purpose, and Litvinov is the most original among them. And very few Communists combine so well as does Litvinov a knowledge of the ways of capitalism with strength of will, dialectical ability and perfect coolness. Very few possess the capacity to enjoy this play as he does. Still fewer have gone through the school of European thought and culture without even the faintest traces of what the Bolshevik party denounces as "European sentimentalism." Of the strong men in the party only Rakovski is similar in this respect to Litvinov. Rakovski too is an expert in playing the bourgeois without the

slightest inner dependence on the cultural and social amenities and moral prejudices of the condemned world. Trotsky never came within that category.

Litvinov is an excellent husband and dearly loves his children. He can be jovial, hearty in personal intercourse with people whom he thinks useful and innocent enough to serve as a link with the enemy—by carrying propaganda, by being ready for business of any kind advantageous to the Soviets or simply by vouchsafing the integrity and purity of Soviet intentions to the bourgeois world! The same persons will find him bitter, hostile and resentful as soon as he discovers that they do not suit his purposes. He knows how to entertain relations of friendship and even intimacy, but neither friendship nor intimacy, as we understand these words, are possible with any good Communist. While the naïve and "good-willed" bourgeois may be unaware of the abyss separating him from the revolutionary with whom he seems to be on excellent terms, the good Bolshevik will never forget that the other man nevertheless remains the enemy, the representative of the exploiting class. As a result many a bourgeois considers himself misunderstood and ill treated when suddenly slighted. He refuses to see why differences of viewpoint should react on "personal relations." For Litvinov there is no difference between personal relations and "objective" convictions. To believe in such subtleties is for him a true outgrowth of "watery" liberalism. As soon as a difference of opinion infringes on the practical interests of the Soviets, of the revolutionary cause, any memory of previous friendly relations is wiped out. Perhaps this explains why all persons who have lived in Moscow have had their most friendly relations with the Bolsheviks much nearer the beginning than the end of that experimental intercourse. Only those who

have understood the complete difference of "background" of everything that they seem to have "in common" with these men have managed to hold their own, and even to maintain "friendships." Or they have become "communistical" themselves, despised by those who cling with their whole heart to the great cause, but being used for all kind of stratagems.

As long ago as the conference of Genoa in 1922 the delegates, including nearly all the important European Foreign Ministers, were impressed by the perfect dignity of the representatives of Soviet Russia. At that time and up to this day this consummate poise, this never-erring tact of the Russian representatives, most of whom were "petty bourgeois" like Litvinov, has amazed those who came into contact with them. This miracle was possible because the true Bolshevik is constantly guided by paramount, simple, all-embracing convictions, to which he subordinates everything else. It was at Genoa in 1922 that Litvinov came into the limelight. He was astute, experienced, and cynical enough to anticipate every thought and motive of the representatives of capitalism. He could feel his advantage, for his adversaries on their side did not or could not penetrate who he

was, what motivated him and what were his hopes. Most of them did not care about that nor do they, as a matter of fact, today. The Soviets, they believed, would change by mere contact with capitalism; that was and is the very unimaginative conviction of the normal bourgeois. But neither Litvinov nor any other Russian appearing at Geneva has changed, not even those who, like Rakovski, fell afterward into disgrace with their own fellows in Leninism and Stalinism.

The Kantian definition of ethics is harmony of purposes. What many people have advanced as an accusation against the foreign policy of the Soviet leaders fits absolutely into the idea of their ultimate duty as they see it with deep conviction, with perfect and rare sincerity, with perfect and rare devotion to their cause. Ruling 160,000,000 they advance along the same road which they have followed in the same spirit of sacrifice and self-effacement in much humbler circumstances. Just as they brought about the overthrow of Czarism they now, with infinitely greater instrumentalities, prepare the overthrow of capitalism by undermining its weakened parts—recognizing meanwhile the bourgeois order outside Russia only as far as is deemed necessary.

Theodore Roosevelt's Feet of Clay

By JOHN FORD

Justice, New York Supreme Court

[The writer of this article was born in New York State on July 28, 1862, and after graduating from Cornell University in 1890, studied law and was admitted to the bar in 1893. From 1896 to 1901 he was a member of the New York State Senate. It was in this capacity that he framed and secured the enactment of the franchise tax law now in operation in the State. He was elected a justice of the Supreme Court of New York for two successive terms in 1906 and 1920. Judge Ford has written on legal and political subjects and is also well known as the organizer of the Clean Books League.]

TO make a President of the United States is indeed quite an achievement. If this narrative be believed of the events which led up to the shunting of Roosevelt from a renomination for Governor of New York, which he desired, to his nomination for Vice President, which he declared he would never accept, there is no escaping the conclusion that it was I who unwittingly opened the Presidency to him.

Perhaps the greatest political boss that ever arose in this country was the late Thomas C. Platt, thrice chosen United States Senator from New York by Republican Legislatures. During the closing years of the nineteenth century there had been war between the Platt and the anti-Platt factions in old New York City, comprising the present boroughs of Manhattan and the Bronx. Platt had obtained absolute control of the Republican party throughout most of the

State and was vigorously pushing his intraparty campaign to subject the metropolis also to his will. For a time he met formidable opposition. William L. Strong was elected Mayor of New York as a militant anti-Platt Republican in 1894. As a pronounced anti-Platt partisan, I was nominated for the State Senate in one of the two Republican Senate districts in New York in 1895 after a fierce fight with the Platt forces in the nominating convention, and at the election I was chosen for a three-year term.

Roosevelt, then a Civil Service Commissioner at Washington, was appointed by Mayor Strong as an anti-Platt member of the city's bi-partisan Police Commission of four, of which he became president. Roosevelt was at continuous war with the Platt leaders over the enforcement of the liquor law, so that both he and I were in the same political boat and in danger of being swamped by the rising flood of Platt influence.

The bitterness of the feud between Roosevelt and Platt is reflected in the former's letters to Senator Lodge. Thus, on May 18, 1895, Roosevelt wrote that "it is perfectly astounding to see how Platt succeeds in identifying himself with the worst men and the worst forces in every struggle, so that a decent man *must* oppose him." Again in September, 1895: "Platt's influence is simply poisonous. I cannot go in with him; no honest man of sincerity can." On Oct. 3 he speaks

of "the cowardice and rascality of the machine [Platt] Republicans," and on Oct. 11 he writes: "The Republican County Convention [controlled by Platt] came within an ace of passing a resolution, which went through their committee on resolutions disavowing all responsibility for me and stating that the Republican party had nothing to do with me." On Dec. 23: "The Platt people are planning to legislate me out of office," and on Jan. 2, 1896: "Here matters are worse than ever. The machine is really infamous."

Platt had himself elected as a delegate to the National Republican Convention of 1896, in which, of course, he controlled the New York delegation. By his stand for the gold standard he endeared himself to big business and since it was the captains of industry and their entourage that had constituted the backbone of the opposition to him in New York City, that opposition waned rapidly after McKinley's election. Having had himself elected United States Senator in 1897, Platt completed the work of subjugating his enemies by his use of Federal patronage. He thus became absolute boss of the Republican party throughout the State and for many years named every Republican officeholder from Governor down. It was at the instance of Platt that President McKinley appointed Roosevelt Assistant Secretary of the Navy to get him out of the Police Department. Then in 1898 came the Spanish-American War and Roosevelt's Rough Riders.

Governor Black, who had been elected in 1896, called a special session of the New York Legislature in the Summer of 1898 to enact needed war measures. For several days there was nothing much for most of the Senators to do but wait for the committees to prepare the war bills. Many up-State Senators were Republican leaders in their counties. We all had to run for re-election in November and were deeply concerned over who would run with us for Governor. It was

a time of straight ticket voting and a popular candidate for Governor meant many votes for the other Republican candidates. Since a Governor ordinarily received renomination for a second term, we knew that the chances favored Black, particularly as he was the protégé of Louis F. Payne, Platt's closest political and personal friend, and had always been a stalwart Platt man, and Platt alone would choose the candidate. But Black's Administration had not been any too good. The Erie Canal had been under enlargement at enormous public expense and grave scandals had arisen. Nor was Black personally popular.

On the other hand there was Roosevelt. Popular and covered with his Rough Rider glory, he had a good record in the State Legislature and as Civil Service Commissioner, president of the New York Police Commission and Assistant Secretary of the Navy, and had gained a reputation for integrity and independence. These qualities might not count with the regular machine Republicans as against his anti-Platt record, but they were important considerations with independent voters. It was therefore agreed that each of us Republican State Senators should personally urge Platt to nominate Roosevelt for Governor as the only hope of success. How many other Senators kept the agreement I do not know, but I made my lone pilgrimage to Manhattan Beach where Platt lived during the Summer months. He listened attentively, as he always did, but gave me nothing but the assurance that he was listening to reports and advice from all over the State. Many of the things for which the Governor was criticized, Platt reminded me, had been done at his request. I left with the impression that Platt would name Black unless he was absolutely convinced that he could not be re-elected and that Roosevelt would be only a last resort.

Platt evidently became convinced that he could not win the State with Black and decided upon Roosevelt if

satisfactory assurances could be had that Roosevelt as Governor would take orders from him.

At that time the head of the local Platt machine on the Manhattan side of the East River was the late Lemuel E. Quigg. He was very close to Platt and, doubtless by Platt's direction, undertook to pin Roosevelt down in writing as to how, if elected, he would act in regard to the plans and purposes of the regular Republican organization, in other words, the individual wishes of Tom Platt. Quigg wrote an adroit letter addressed to Roosevelt along these lines, and immediately after mailing it showed a copy of it to two friends of mine, both Republican local leaders, who then held high positions in the New York Custom House. These practical politicians at once told Quigg that Roosevelt would indignantly reject the proposals and probably publish the letter to the grave injury of the Platt machine and with dire consequences to the Republican ticket in the election. They persuaded Quigg, with the aid of the New York postmaster, a tried and true Platt lieutenant, to extract the letter from the mail before it left the city. But some days later Quigg returned to the custom house exultantly exhibiting a cordial and acquiescent reply from Roosevelt. It seems that after retrieving the original letter from the mail Quigg took it to Platt, and Platt ordered him to re-mail it. "You see," said Quigg, "I understand these reformers better than you do."

With Platt's endorsement Roosevelt was nominated for Governor but only after a bitter fight in the State convention. Black and his friends contended that Roosevelt was not a resident of New York State but of Washington. Elihu Root endeared himself to Roosevelt by demolishing this opposition and insuring his nomination. After a bitter election campaign, during which the Democrats made the canal scandals the main issue, Roosevelt was elected by a margin of less

than 18,000 votes, in contrast with Morton's 156,108 in 1894, Black's 212,992 in 1896 and Odell's 111,126 in 1900. I was elected on the same ticket by a reduced majority, and the State Senate, in which during my first term the Republicans numbered 36 to 14 Democrats, now had 27 Republicans to 23 Democrats. Roosevelt was probably the only Republican in the State that could have been elected Governor in 1898.

Though Roosevelt and I were quite friendly at Albany, I noticed that he was somewhat reserved. This I attributed to his desire not to seem too intimate with a notorious "kicker" against machine rule. He wisely cultivated the Platt Senators, in view of his dependence on the machine for the success of his policies.

The train of events that led to Roosevelt's becoming President began on Jan. 22, 1899, when I read in the *Sunday World* a statement by President Feitner of the Tax Department, that New York City had lost \$100,000,000 in taxes by a decision of the New York Court of Appeals in 1891 which declared untaxable the franchises of corporations using the public streets for their private profit. The law enumerated the kinds of tangible property which were to be assessed and taxed as real property, but said nothing about the property in the land—the easements in, under and over the public highways and places—which the corporations owned in addition to their material structures.

In an amending law which I drew up—the Ford franchise tax bill of 1899—wherever the material structure appeared in the enumeration, I inserted the words "including the value of the right, privilege or franchise." The bill was introduced by me on Jan. 25, 1899, three days after I read Feitner's statement, and it was referred to the Committee on Taxation and Retrenchment.

The bill at once attracted attention, particularly of street railway and lighting companies, and at the hear-

ings eminent lawyers appeared in opposition on behalf of the corporations affected. Public sentiment, however, was strongly in favor of the measure, for here was property of immense value escaping taxation while the farms with their buildings and houses and lots of ordinary people were taxed to the hilt. The newspapers took up the championship of the bill. But while it remained in committee Platt and his corporation friends were not unduly alarmed, for they expected it would be killed at that stage.

When, however, a measure appeals to and is clearly understood by the people, it becomes dangerous for ambitious legislators to vote against it even in committee. So it was with the franchise tax bill. Toward the end of the session the committee, to the consternation of the opponents of the bill, reported it favorably to the Senate. The lobbyists now had to deal with fifty Senators in the open instead of with half a dozen in the secrecy of an executive session of a committee, and Boss Platt had to gird up his loins in behalf of "our friends," as he euphemistically referred to the corporations affected by the measure.

Several times while the bill was in committee Governor Roosevelt had spoken to me about it as though trying to sound me out for some purpose, and on every occasion he assured me that he was in favor of the measure. At the end of the week after the favorable report by the Senate committee I spoke to him on the train on the way to New York. Neither of us mentioned the franchise tax bill, but I noticed that Roosevelt was not very cordial. His attitude on this occasion is to be noted because of the momentous mission upon which he was even then embarked. Over the week-end he hobnobbed with Platt and his chieftains, and others representing the big franchise holding companies, and most significant was the newspaper announcement that Senator and Mrs. Platt were to return to Albany on

Monday with the Governor to be his guests for a week at the Executive Mansion.

This was surprising because no Platt Governor had ever before so openly fraternized with the big boss or his associates. Outwardly former Governors in their official capacity had nothing to do with Platt. But Roosevelt dared to invite him to the Executive Mansion and had frequently fraternized with Platt publicly as well as privately. This was brought out years later at the Barnes vs. Roosevelt libel trial at Syracuse in 1914.

The following Monday, during the evening session of the Senate, a message was received from the Governor in which, after discussing the taxation of franchises in true Rooseveltian style—fair treatment for everybody but the wicked should be punished and the weak protected and everybody should do his duty—he recommended the creation of "a joint committee of the Senate and Assembly, to investigate the subject in full, and to report to the next Legislature a proper scheme of taxation." I was stunned, for Roosevelt had not said a word of this to me in our frequent references to the franchise tax bill. The significance of the message was obvious—death of my franchise tax bill.

The next morning I called on the Governor. He was not in but his secretary, a loyal Platt man, told me that Platt was occupying the Governor's private office adjoining the Executive Chamber and urged me to see him. I did so in the hope of obtaining Platt's version of the motives behind the Governor's message. In reply to my question as to what he thought of the franchise tax bill, Platt said, "Oh, I guess we can all afford to stand on the Governor's platform." Thus I learned direct from headquarters that the bill was to be quietly interred. Platt and the Governor had already arranged for the funeral. To me it was amazing that

Roosevelt, celebrated for his fearless independence and one of Platt's most bitter enemies before his election as Governor, was not only entertaining the big boss at the Executive Mansion but also placing his private office in the State Capitol at Platt's disposal to serve as headquarters from which to issue edicts to his subjects in the State Government.

The special committee on the taxation of franchises, as recommended by the Governor, was created and its members appointed, while I gave the necessary two days' notice of my intention to move to suspend the rules of the Senate in order to bring the franchise tax bill forthwith to a vote on its final passage. In due course the motion was made and carried, and the bill immediately came to a final vote. It passed by a fair majority and was transmitted to the lower house for concurrent action. This was a surprise to Platt and the corporations. They had relied upon the Governor's message to block further progress of the franchise tax bill. Roosevelt expressed his annoyance at the passage of the bill by the Senate in one of his letters to Platt.

When the bill reached the Assembly, it fell into the hands of the Rules Committee, which was controlled by Platt men and which had for its principal mission the killing of all measures opposed by Platt. Speaker Nixon, who had served Platt long and faithfully, controlled the committee. When it was rumored that the committee intended to kill the bill by failing to report it, Roosevelt, at the insistent urging of the newspaper men and in repudiation of his own message, sent an emergency message to the committee for the immediate passage of the bill. The message was ignored. Indeed, it was commonly said that Nixon had contemptuously torn up the message. When the Governor sent a special message again demanding favorable action, Nixon, who had Gubernatorial aspirations of his own,

is said to have angrily demanded, "Does that blank, blank, blank, think that I am going to take the whole responsibility of killing this bill?" At any rate, the bill was reported out. When it now came before the 150 members of the Assembly, the Democrats, responding to the irresistible public demand for the passage of the bill, had already made it a party measure. A petition had been circulated by them in the Assembly Chamber demanding a favorable report from the Rules Committee on the measure. Thus it came to a vote and passed the Assembly. Platt and his corporation friends had obviously put forth herculean efforts to defeat the measure and very nearly succeeded, despite the great popular demand for it throughout the State. The Legislature adjourned toward the end of April, 1899, leaving in the hands of Governor Roosevelt a mass of legislation for Executive action. Any bill he did not sign died at the end of thirty days after the adjournment. Among these "thirty-day bills" was the franchise tax bill, which, I believed, he would sign unless "the organization," that is, Platt, induced him to change his mind. Already there were rumors of an extra session to "perfect" the bill. I wanted to find out from the Governor whether this was true because the *North American Review* had asked me to write an article on the bill for its June issue. The manuscript was to be in not later than May 15 and I did not want my article to appear if by the time it was printed a different measure should be substituted for that already passed by the Legislature.

I visited Roosevelt at Albany a week or so before my manuscript was due in the office of the *North American Review*, and was greeted with unwonted cordiality. Slapping me on the knee, he exclaimed, "Well, I suppose it's about the franchise tax bill!" Then he added in a low, confidential tone of voice, "You must not tell a soul in

the world, but I am going to sign that bill." He was, he said, about to hold a hearing on the bill in the Executive Chamber and asked me to get a qualified man to answer the arguments of the corporation lawyers who he expected would appear before him. He insisted on limiting the number of advocates of the bill to one only.

I regarded the hearing as a mere formality. In accordance with the Governor's request I secured the presence of the late John DeWitt Warner, a former Congressman and a good lawyer, as the lone advocate of the bill. Against him were arrayed a mighty array of eminent counsel headed by David B. Hill, former Governor and United States Senator, and among them Edward Lauterbach, general counsel of the Third Avenue Railroad Company and Platt's particular friend and lieutenant in city affairs. Before commencing his argument Lauterbach shook a finger at the Governor and demanded whether he had made up his mind to sign the bill, for in that case he did not care to waste his time arguing against it. He, too, must have heard some rumor of the Governor's intention to sign the original bill. Early in the hearing a prominent newspaper man told me confidentially that Roosevelt had already filed his message to accompany his signing of my original bill, but after the arguments against the bill had continued perhaps two hours longer, the same man surprised me with the information that Roosevelt had killed his message.

As soon as Roosevelt gave me his confidential assurance that he would sign the bill I wrote my article, which appeared in the *North American Review* of June, 1899. That article bears circumstantial evidence of the veracity of my account of my interview with Roosevelt, for it discussed the original bill as though it were the law, as it would have been had he kept his word to me. Instead, he caused my bill to be mangled at an extra session of the Legislature and

signed the amended measure instead of my original bill which I discussed as the actual law in the *North American Review*. Platt's son, Frank, had much to do with the new bill which was written by Platt's corporation attorneys.

Besides postponing operation of this Platt-Roosevelt amended bill for a year, the Legislature inserted two provisions indefensible from any point of view except that of the corporations. The worst of these was that which transferred the power to assess the franchises, including the tangible property, from the constituted local authorities, where the franchise property was located, to a State commission. The reason for this was to enable Platt to control the assessments through his creatures on the commission and thus maintain his hold upon the corporations affected by the franchise tax. It is interesting to record that Platt and his friends argued for State control of the assessments on the ground that Boss Croker of Tammany would, under local assessment, extort huge tribute from the great franchise-holding corporations in New York City with which to fight the Republicans.

Though the amended franchise tax bill was a sop thrown by Roosevelt to appease Platt, the Governor had broken faith with that vindictive master politician and Platt never forgot or forgave an offense of that kind. Roosevelt's sin was that he had gone back on his agreement as expressed in his special message to the Legislature recommending the reference of the franchise tax bill to a special committee for the purpose of killing it. That special committee was actually appointed pursuant to the Governor's recommendation but, the franchise tax bill having passed, its real purpose had disappeared.

As soon as Roosevelt broke his agreement Platt wrote him a 2,200-word letter, dated May 6, which began with these ominous words: "Please take the time to read this letter

through carefully and suspend judgment on any sentence till you have read them all." After congratulating the Governor upon his administration as a whole, Platt went on to say: "The very last sessions of the Legislature were startled by repeated messages from the Executive Chamber almost commanding the majority to pass the Ford bill. * * * I think, my dear Governor, that you put this party [Republican] in a most unfortunate position and that you did it without due consideration of the understanding we arrived at when we decided upon the appointment of the special legislative committee * * * I hope you will not sign this bill. * * * I sincerely think that you will make the mistake of your life if you allow that bill to become a law."

Roosevelt, in a 3,000-word reply, dated May 8, was very mild, complimentary and placating, not to say apologetic. He took, he said, "twenty-four hours to consider it [Platt's letter] deeply before replying," adding that "it has been the greatest possible pleasure for me to agree with you and to carry out your ideas, and it has caused me real pain when I have disagreed with you. I am particularly sorry that the worst serious cause of disagreement should come in this way, right at the end of the session." Referring to his special message recommending postponement of action on franchise taxation until a committee would have time to report, Roosevelt asserted he "was told that this committee would be appointed and that a serious effort would be made to tax franchises. * * * Without any notification to me, the Senate suddenly took up and passed the Ford bill." Roosevelt's letter discussed in great detail the incidents leading up to the final passage of the bill in the Assembly and offered, "subject to your [Platt's] approval," to call an extra session of the Legislature to amend the bill or to repeal it to give place to a "proper tax bill."

In another letter to Platt, dated

May 12, the Governor frankly offered to "call, at once, if you wish, a special session, so that the bill can be acted upon before the thirty days are up." The club which Roosevelt was holding over Platt appears in the closing paragraph of the letter: "Of course it must be understood, and I must say it in my message, that I will sign the present bill [the original Ford bill then lying on his desk], if the proposed bill containing the changes outlined above fails to pass." Platt did not take kindly to a club in the hands of a Governor of his own creation.

During the legislative session of 1900 I saw much of Roosevelt. His attitude toward me had changed. I was "in bad" with Platt and the Governor now seemed to be cultivating the Platt forces at the State Capitol. Meanwhile, Platt could not yet afford to quarrel with Roosevelt who still had a year and eight months to serve as Governor after signing the amended franchise tax bill. Another legislative session remained to be held, and Platt needed a Governor to carry out his wishes. Moreover, Platt knew Roosevelt's capacity for making trouble for the machine in case of an open break. Roosevelt and Platt resumed their former cordial relations.

It was at the National Republican Convention in Philadelphia in 1900 that Roosevelt, for the first time, as appears from Platt's autobiography, learned that he was not to be named for Governor in the Fall. Roosevelt, in fact, must have been deceived into relying upon Platt's support for his re-election and been led like a lamb to the slaughter—or what Platt and Roosevelt both believed to be the slaughter—the Vice Presidency of the United States. More than once I saw Roosevelt glare ferociously at his listeners as he pounded his desk and declared that never would he accept a nomination for Vice President. His letters to Henry Cabot Lodge, now published, express the same determination. Doubtless these declarations of the Governor reached Platt's ear.

I can imagine the saturnine smile with which the wily old boss received the news.

As the time approached for the Republican National Convention, the administration forces, headed by Mark Hanna, who basked in the glory of having made McKinley President in 1896, were planning to nominate Cornelius N. Bliss of New York as a candidate for Vice President. Senator Quay joined Platt in advocacy of Roosevelt instead. According to Platt, the New York delegation was divided, first by the unalterable opposition of Roosevelt himself to being nominated for the Vice Presidency, and second, by the claims of Timothy L. Woodruff, then Lieutenant Governor of New York. Roosevelt sentiment was gradually developing when General Francis V. Greene, a close friend of Roosevelt, went to Platt and told him that Roosevelt had just issued a statement announcing that he would not accept the nomination for Vice President. Platt sent for Hanna and found him "obdurately opposed" to Roosevelt's nomination, but Platt won him over and Hanna promised that night to issue a public statement endorsing Roosevelt for Vice President.

When Platt sent for Roosevelt he came "in a state of rare excitement, even for him." What followed is best given in Platt's own words:

"I shall go into the New York caucus and tell the delegates that I shall, if nominated for Vice President, arise in the convention and decline. I can serve you, Senator Platt, far better as Governor than as Vice President," said Roosevelt pugnaciously.

"But you cannot be renominated for Governor, and you are going to be nominated for Vice President," was my report. * * *

Roosevelt showed his teeth, paced up and down the room, and chafed as a horse does under a tight rein and curbed bit. "Well, Senator Platt," finally returned Roosevelt reluctantly, "I will pledge myself not to formally decline the New York caucus endorsement, but I shall certainly urge the

caucus to name another," he added.

"And remember I shall pinch you if I see any signs of your getting up and declining," put in my son [Frank Platt].

Just as Dr. Albert Shaw, Frederick W. Holls, Nicholas Murray Butler and others of Roosevelt's self-constituted friends, clustered about him and whispered audibly: "Say you'll decline if nominated, Governor," my son pinched Roosevelt in the leg and said: "Remember your contract with the Senator, Governor."

Roosevelt kept faith. He ignored the solicitations of Shaw and the others and sat down.

Referring to the assertions of Nicholas Murray Butler, Albert Shaw, Frederick W. Holls and other "pretended friends" of the Governor, that his sole object was to shelve Roosevelt, Platt writes: "I may add that instead of 'shelving' Roosevelt, I must plead guilty to the charge of 'kicking him upstairs.' I believe Roosevelt himself would convict me of this."

Platt, however, I think, was not trying to "shelve" Roosevelt so much as to prevent him from becoming Governor of New York for a second term and signing more measures like the franchise tax bill. It has also been said by some of Platt's followers that a reason for Platt's opposition to Roosevelt was also his refusal to reappoint Louis F. Payne as Superintendent of Insurance instead of Francis Hendricks whom he did appoint. But this is contradicted by Roosevelt's own testimony at the Barnes trial.

Thus it was the franchise tax bill alone that made Roosevelt President. As its author and outstanding champion I succeeded in forcing Roosevelt to support it even after he had agreed with Platt to kill it. The ensuing break between Roosevelt and Platt was the next step in the logic of events that led to Roosevelt's nomination as candidate for Vice President. [Another view of President Roosevelt is presented by Gilson Gardner in a book review printed elsewhere in this magazine.]

King Carol's Eventful Year

By KONRAD BERCOVICI

Author of "Story of the Gypsies"

THE proximity to Rumania of Soviet Russia induced the Rumanian Government at the end of the World War to institute certain agrarian reforms in order to avoid revolution. Until that time the greater portion of the arable land and most of the timber land in Rumania was owned by boyars and the Crown. The Bratianu Government expropriated the landowners and paid them with bonds that were to be redeemed, partly, out of payments which the peasants were to make.

But instead of settling the peasants upon the land around the villages and communes where they already lived, the agrarian families were shifted from one end of the country to the other in order to break up whatever loose organization existed among the men who had clamored for land. The holdings of the boyars were cut up into small parcels and the new owners were often total strangers to one another. Since the government did not encourage cooperative methods of buying and selling, each peasant worked his parcel of land according to his own lights and means, while the agricultural machinery owned by the boyars rusted in sheds and fields instead of being used by the community of peasants.

Rumania's wheat now ranks with the poorest grain produced in Europe and remains unsold, chiefly because it cannot compete with the wheat produced according to the most scientific and economic methods on the vast stretches of land in Russia, Argentina, the United States and Canada.

Wheat can be produced economically only in units of at least 1,000 acres; yet few peasants in Rumania were given more than twenty acres apiece.

A considerable number of peasants abandoned their new holdings after a season or two and returned to their own villages to live there as best they might. Some held on to what land had been given them, but plowed only enough for their own immediate needs. Still others crowded into the big towns to eke out a haphazard living. Though the boyars have been impoverished by the Rumanian agrarian reform, the situation of the peasants has not been improved. When the government gave land to the peasant it was agreed that he was not permitted to sell it before he had been upon it for at least ten years. The ten years are now at an end. The present price of wheat and of corn in the world market has so lowered the value of land that the Rumanian boyars are not anxious to reacquire their old holdings.

This, in brief, is the situation Carol II found upon his return to Rumania. Although it is idle to accuse him of the mistakes of his predecessors, Carol, instead of devoting his energies to the administration of his country, has spent the first year of his reign in political squabbles, and in entangling and disentangling the unconventionality of his family life and the internal and external politics of his country at one and the same time. The Minister of Internal Affairs has been engaged in the affairs of the heart of the royal household, while the Foreign

Office has been sending abroad frantic denials and more frantic information of Magda Lupescu's exact whereabouts.

Ministerial Cabinets have followed one another so rapidly that they have had no time to agree or disagree with what their predecessors had or had not done, and still less time to put in practice any ideas of their own. Carol has chosen his Cabinets not from among the ablest men of the country but from those who have been of assistance to him during his years of exile, and from those who helped him to recapture the throne of Rumania. Statesmen and diplomats who had been friendly with his mother, or had sided with his wife, Helen, while his son Michael was King, or had expressed their opinions about the King's illicit relations with Magda Lupescu, have been shorn of all power, while incompetent and inexperienced men have been vested with unwarranted authority. And Magda Lupescu's finger could easily be detected in the hand that designated their choice.

The banks of the country have been, and still are, in the hands of the Liberal party. The shortage of currency is so acute that interest—even upon good security—has risen to 50 and 60 per cent per annum! Rumania emerged from the war with a population of 18,000,000 inhabitants, but the total value of the currency of the country is the same as before the war, when it was a country of but 6,000,000 inhabitants.

The character of even a strong man would have been sorely tried to bring order out of the chaos resulting from a world-wide depression and the political instability that followed King Ferdinand's death. Had Carol devoted the years of his exile to the working out of a definite plan of action he might have been of considerable use to his country, but he employed his time in intrigue for power and for the lighter amusements for which he craved.

Carol is by no means a weakling; he is not uneducated; he has a sense of humor, and he is a good sportsman. But he is too impulsive to be a wise ruler, and he hates his mother and his wife as much as he is hated by them. He thinks more frequently of plans to strike at them than he thinks of the welfare of his country. He formulates plans on the spur of the moment and rejects them long before they have been given a fair trial. He has too much temperament and not enough stability. Emotionally he resembles his mother and shares with her a love for externals and cheap publicity. He devotes more time to the choice of a new uniform than to the selection of a new Cabinet Minister, and spends more time in front of the mirror, before reviewing a military parade, than he spends at his working desk. The King of Rumania is like an actor who has been given back a part he loved to play in a comedy. He is never off stage. He seemingly sleeps with the crown on his head.

After forming and re-forming his Cabinet several times during his year's reign, vacillating between giving the country a democratic government and instituting a military dictatorship, he chose Professor Nicholas Jorga, a man with a temperament akin to his own, a boon companion, as the head of his Cabinet. Professor Jorga has at some time or other belonged to every one of the existing and the defunct political parties of Rumania. Jorga's adherence or defection from a political party is treated by his colleagues in Parliament and by the country in general with equal casualness. He has belonged to the Liberal party, the Conservative party, the National party, the Anti-Semitic party and the Peasant party, and has in turn praised and denounced every one of them. An indefatigable worker, Jorga's total literary, scientific, social, and historical output, measured by volume, would outweigh that of any one of the world's most prolific writers. "He writes with every hair of his beard

at one and the same time," a wit said recently. "And his beard is wide and long."

The peasants, the landowners, and the Jews have known him as a relentless foe and have had him as a protecting friend. One can never know exactly where Jorga will pop out. One never knows what his next opinion might be. He is the clown of the musical comedy. To have given Jorga power is Carol's greatest mistake; it may yet be his doom.

Professor Jorga has been King Carol's private tutor. They understand one another so well that the King has even forgiven his temporary opposition to him during the exile. "Carol's sentimental wanderings prove to me one thing," Jorga said to me, "that he is a virile man * * * like myself." Instead of having one vacillating man at the head of its government, Rumania now has two. When Carol leans toward the German *Anschluss* — with Yugoslavia, Austria, and Germany — Jorga leans toward France. By the time Carol has been won over, Jorga has slightly modified his views and is leaning backward.

Had Carol and Jorga not been cowed by the echo of the Spanish revolution they would have introduced a military dictatorship in Rumania. The plans were laid; the army was prepared; Jorga's speech in Parliament in which he told the assembly that if he could not rule with it he would rule without it was as ominous a warning against parliamentarism as any statesman has ever uttered. Jorga's teeth bit into the old edifice but the King wielded the axe.

While Jorga has been making new laws, and abrogating old ones, with a vertiginous rapidity, while he has been making and breaking political alliances with friends and foes of a previous period, Carol, presumably upon the advice of his brother-in-law, the King of Yugoslavia who has assumed the rôle of dictator in his own country, has decided to rid himself of Helen,

his wife, whose divorce, secured during his exile, he had refused to recognize on taking over the throne. His hatred for her is so intense that it has blinded him to everything else. Before ordering her out of the country he deprived her of all official honors to which she was entitled; first, as the mother of Michael, the former King, and second, as the wife of the King. Now she is of less consequence than Carol's first wife, Zizi Lambrino, and has to bow to the will of Magda Lupescu, whose hand can be seen in many a political intrigue now being acted in Bucharest.

Queen Helen is no angel and no fool. The women of the Royal Palace of Bucharest have completed her education. She has shown that she knows how to handle her own publicity as well as the best of them. She has made political errors; she played into the hands of Marie when she sued Carol for divorce, but she is not as easily handled now. Carol may find himself with one foot over the border after sending her into exile.

Helen, Dowager Queen Marie, and Magda Lupescu, Carol's courtesan, are at grips now over the Rumanian throne. If Helen can be exiled from Rumania, Magda Lupescu will return to live permanently in Bucharest; Marie will then have to stay out of the country.

Is it only a coincidence that Dowager Queen Marie and her daughter, Ileana, should be away from Rumania while Helen is being persecuted by her husband? Marie is too astute a politician not to have sensed the unsympathetic publicity which would follow her son's action. Her presence in Rumania would have compelled her to choose between taking sides with Helen—which would have brought the King's enmity upon her head—and a tacit acquiescence, which would have made her an accomplice of his action. She chose to stay away from the country altogether and to maintain her freedom to choose sides.

The rumors that Carol has exiled

his mother seem far-fetched. One must not forget that the Liberal party, Marie's friends, are now in power. I expect the Dowager Queen to assume more and more power. She may yet intrigue herself back into the palace in a position of authority. She will never bow to her son, but Carol bowed to her when he ordered that the Liberals, his former enemies, be returned to power.

To sum up the situation at present:

The wheat produced last year and two years ago is unsold; owing, first, to a world surplus production, and, second, to the poor quality of the grain.

Not one-third of the total capacity of the oil wells of Rumania is being extracted; first, because of the oil glut on the world market; second, owing to the condition of Rumanian roads which prevents any quantitative local consumption.

Whatever industry Rumania had in the old kingdom, whatever she found in the provinces that have been wrested from her former enemies, is almost at a standstill because of lack of working capital, because of the usurious demands of the banks and because of consequent underconsumption.

There being no stable government, there is no mutual confidence among merchants. Credit is at a standstill. The present government as well as the preceding ones have tried to balance their budgets by instituting rude economies. But such have only reduced the efficiency of the government employes and have encouraged more corrupt practices in the tax gatherers. Out of a population of 18,000,000, 1,000,000 are on the government payroll!

The King's vacillations, Professor Jorga's vacillations and the royal family's affairs have disrupted the moral fiber of the people. Had Carol exiled Helen during the first week after he ascended the throne, whatever antagonism he would have created would have been long forgotten.

The people now look upon Helen as a martyr. Michael's mother pours out interviews to the press which paint her as a mother whose son is being torn from her by a husband guilty of neglect and worse.

In Bucharest people ask one another each morning: "Is 'he' still here? Is 'she' still here? Who rules today?"

Magda Lupescu is always on the road to and from Paris. She is seldom further than twenty hours from Bucharest or the Carpathian Mountains.

France, for her own reasons, has been very kind to Rumania and has repeatedly and often gone to her financial assistance. The recent attempted economic alliance between Rumania and Germany, however, has undoubtedly weakened whatever faith France has had in Rumania. The turnabout, when the Jorga Government decided to break off all economic conversations with the German representatives and even to forbid their entrance into the country, has not raised Rumania's status either in the eyes of her former allies or her former foes. Such actions, inexcusable and indefensible, may plunge the whole of Europe into chaos. The balance of power is already too finely drawn. Carol is now flirting with the Magyars and is expected to lend his hand to the restoration of the Habsburg dynasty both in Hungary and in Austria.

Uncertain of her attitude, Rumania's former friends now reluctantly accord their assistance and only after exacting and more and more onerous guarantees. France can no longer rely upon Rumania's armies as a bulwark against Russia or Germany.

Rumanian statesmen and thinkers divide themselves as follows: On one side, those who believe that Carol II will eventually abdicate and leave the country to its own devices to disentangle itself from the confusion he has been unable to straighten out; and, on the other side, those who hope

that added years will round him out and temper him into a ruler who learned more from his own mistakes than he could have learned from those of his friends and foes.

Many people believe that the country would not have suffered as much if it had not emerged from the war three times its original size and with a heterogeneous population which is Rumanian only in name. Such people will point out that Rumania has not yet been blessed with men capable enough to administer the affairs of so large a country. The amorous affairs of the royal family add fuel to the steadily growing communistic propaganda. Barefooted, illiterate peasants of the Carpathians have told me that they are ashamed of what happens in the royal palace and that their only hope is in communism. They pictured the land of the Soviets as paradise.

Whatever happens within the next year will seal the fate of Rumania. It is one of the richest countries of the world and has one of the sturdiest and most industrious peasant populations of Europe. When the tangles of the internal and external affairs are once straightened out it will inevitably become one of the most prosperous countries, not only of the Balkans but of Europe. Well administered, the country can produce enough to feed, house, warm, clothe and run the machinery of a population ten times its size.

Can King Carol be an administrator? When free to marry again, will he marry the woman of his choice,

Magda Lupescu, and antagonize his own people and many crowned heads; or will he again yoke himself in a political marriage which he will sooner or later dissolve as temperamentally and indiscreetly as he has dissolved his marital ties with Zizi Lambrino and Helen of Greece? The future of Rumania depends much more on King Carol's amorous temperament than on his wisdom, and also on how much longer the peasants can suffer patiently an agonizing situation and the ridicule of the world. The sooner the country rids itself of the Hohenzollerns altogether and becomes a republic the better able it will be to take its place as a civilized nation.

Carol has not raised his family in the esteem of the people. He has blundered from one disgraceful situation to another, foolishly, indiscreetly, and has increased the financial obligations of his country without increasing its revenues. His conduct during the war, his scandalous private life, his unfortunate choice of friends and his political tergiversations, all too well known inside and outside Rumania, have stamped him forever for what he is in the eyes of his people. In addition to all these handicaps of his own making he has to shoulder the responsibility and blame for the conduct of his irascible mother, his volatile sister, his tempestuous brother, his scorned wife, and a host of other princes and princesses who have sunk their talons into the bleeding flesh of a nation once known as "Happy Rumania," *Romania Felice*.

The Workingman in Soviet Russia

I—The Grim Story of His Misery

By VINCENT VOCOVIICH

SOVIET RUSSIA is a closed book to most foreign observers and quite naturally so. To know any country one must become part of it, live and work in it. How much more necessary is this in a nation the size of the Soviet Union, a nation of different races and cultures, a nation which under great pressure is seeking to become a modern industrialized and socialized State! But observers are further hampered by the difficulty of seeing and investigating the present conditions in Russia. A foreign observer sees and hears only what the Soviet authorities wish him to see; interpreters and guides are trained for this purpose.

The writer of this article spent several years in the Soviet Union in the employ of the government trusts and, even while in positions of confidence, was constantly aware of the difficulty of securing necessary information concerning business operations. On one occasion, when the author was serving as instructor in cost accounting at the Electrosviaz Trust in Leningrad, a controversy arose between the technical and accounting departments. To settle this squabble and to devise a better system of cost accounting, an attempt was made to visit the shops and to talk with the foremen and the workers. Permission to do this was secured only after two days of negotiation between the directors of the trust, the chief ac-

countant and the factory management.

Five years of work and residence in the Soviet Union changed the author, despite good wages and excellent treatment, from a confirmed Communist—in Chicago the press had called him the "Lid of the Red Kettle"—into a believer in capitalism as the lesser of two evils. Capitalism permits the individual to develop his own talents and to a great extent to live his own life. Communism, at least as developed in Soviet Russia, has ended all freedom of the individual who finds himself caught in the meshes of a ruthless dictatorship.

Any one familiar with living conditions in Soviet Russia is impressed by the acute housing shortage which has caused a congestion that has militated against any successful system of communal living. There is more communal spirit in a New York apartment, where hundreds of people are living side by side, than in any of the community houses in Moscow or Leningrad. The great changes in home and family life in the Soviet cities have been brought about by the rapid progress of industrialization and the introduction of a new social philosophy. The socialization of home life, however, has not improved the general conditions of the people.

What was once an orderly one-family home has become the sleeping quarters of several families. A spacious kitchen, equipped with modern

facilities, and the bathroom have become communal. Each family uses an oil stove for cooking in the communal kitchen, while the older stove and oven stand idle. Often the bathroom is out of order and the tenants either go for months without bathing or use the public baths. In large apartment houses the elevator is usually not in running order.

The dictatorial position of members of the Communist party gives them a great advantage in the distribution of housing. Usually, the Communists are members of the house executive committee. As the old bourgeoisie and intellectuals still occupy, at least in part, their old apartments, the craving for home comforts and conveniences produces sharp conflict with the Communists. But by using their party prerogatives, the Communists are usually able to take possession, moving into spacious rooms. There is a striking contrast between even the two-room home of a Communist and the quarters of factory workers and miners, where often two families live in a single room.

During the long Winter months the double windows of the overcrowded apartments are tightly closed and the polluted air is seldom changed. Dishes, cooking utensils, forks, spoons and knives are carried constantly back and forth from bedroom to kitchen. As the tenants mistrust each other, the food is kept in the bedrooms, which serve as sleeping quarters, pantry and dining room. The odor of food, the smoke from the oil stove, rags, furniture, children crying—and human congestion—such is the prevailing domestic atmosphere in the new Russia.

Nearly all the larger apartment houses reserve a room for the so-called "hall of culture" or Red Corner, the walls of which are pasted with posters and slogans explaining the proper care of home and children and expounding Soviet industrial progress. Near the entrance hang the slogans: "Down With Capitalism" and "Long

Live World Revolution." Pictures of Karl Marx, Lenin and other Soviet leaders hang on the walls.

Besides the house executive committee there are several others which take care of educational and sanitary work among the tenants. Practically all the committees are organized under the leadership of trusted Communists. At the educational lectures, house socials and monthly meetings propaganda is woven into the lesson on hygiene or birth control. Although the lectures and social gatherings are educational, only a few bored families attend. At the monthly meetings a few members of the executive board are present, and in order to secure a quorum for the yearly meeting threatening notices are sent to Communists living in the house. Party discipline brings a few of them into the hall. The discouraged committees report their yearly activities in one sentence: "Nobody is interested in educational work." Perhaps the fear of Communist propaganda explains this failure to participate in house social and educational activities.

Social changes under the Soviet régime have imposed new moral and legal obligations upon the Russian woman. Now she must share the man's burden of supporting the family, thus paying the price for her freedom and equality. The Soviet factories, shops, mines and offices are full of women, working shoulder to shoulder with men. It is estimated that 40 per cent of all those employed in State industries are women.

If the factory worker is married, she takes care of her children and one-room home in the morning. The children are then left in a nursery. After the hard day's work, the mother takes her children home and feeds them. If the strain proves to be too much and she breaks down, there is the city hospital. A woman must work or go hungry. Perhaps her husband is gone or is drunk in a beerhouse. Possibly he is sick, because most Russian workers are sick a good deal of the

time, worn out by the abominable home conditions, poor food, hard work and the continuous stress of misery since 1917.

Girls from all families as soon as they reach maturity must go to work because the father's earnings cannot be used for their support. Hundreds of thousands of women flock to the factory gates—deserted and neglected wives, girls from orphanages, and daughters of workingmen. Usually, they are all homeless. Only the friendliness of a fellow-worker will solve the problem of finding sleeping quarters. The kitchen floor or the corner of a bedroom provides a resting place after the day's work. Early marriage is the best way out.

Women must take their turn in factory night work. For the children during the day there are nurseries, but if the mother is employed at night she must take her children to the factory nursery. Most mothers, however, eat less and save a few kopeks to pay a neighbor to sleep at home with the children.

A foreign worker, earning from 150 to 300 rubles a month, finds the forty-kopek meal in the factory dining room very cheap, but it is difficult for the Russian factory woman, earning only 60 rubles a month. Two meals in a factory dining room take one-third of her daily earnings. With the remaining two-thirds she cannot provide for her home and children and therefore makes a lunch of black bread and sausage.

Russians love their traditional home parties. As the reception room in a Soviet home has been discarded or converted into a bedroom, the guests are obliged usually to sit on the bed. Yet in spite of all discomforts and inconveniences, the parties, where home-made cakes and cookies, tea and vodka can be found in abundance, still flourish. Since the bourgeoisie and intellectuals are under constant surveillance by the G. P. U., they are obliged to limit entertaining. Cautiously they select their guests

and with great care discuss the delicate problems of political and social life.

Parties in the home provide the chief pastime and amusement in Soviet Russia, but foreign films and plays, especially American and old Russian plays, attract the better class of workers and the intellectuals. Very seldom do they attend a Soviet play, as crude materialism does not seem to appeal to the cultured mind. The people struggle for recreation and amusement free from propaganda.

The Workers Club is a community social centre in some city slums and the provincial industrial towns where workers are unable to pay for amusement. In districts where a better class of workers live, the Workers Club is extinct. The membership of the club is voluntary, but Communists are in duty bound to join and usually between 5 and 6 per cent of the total number of workers employed belong to the Workers Club. Most of the members are Communists, although every worker could afford the monthly dues of 5 cents. The executive board of the Workers Club is elected by the members, but its president must be a Communist. Usually he is semi-literate and without training in social work. The better class of workers stand aloof rather than follow such ignorant leadership.

Since no social organization is permitted and no group may produce plays, the lower strata of society must go to the Workers Club or visit their friends. As a result beerhouses and other places where drinks are sold are overcrowded, while the People's Hall is half full for performances, the programs of which are carefully censored. Only approved plays are released for presentation to the masses. The old dramas are revised to suit the Soviet point of view. The new work based on Marxist philosophy does not appeal to the workers and they stay away. Only when a foreign film is shown is the People's Hall crowded.

All leaders in political, economic

and social activities are selected from the 2,500,000 members of the Communist party. Similarly only Communists of proved loyalty and trust are permitted to speak to the people. An approved speaker gives only a pre-arranged address which often does not express his own opinion on the subject. The slightest deviation from instructions leads to disqualification and demotion. Oblivion falls, also, upon the community leaders if they fail to carry out effectively their tasks of arousing enthusiasm in the masses.

Elections, political, industrial and social, are conducted in such a way that only those willing to carry out instructions are elected. In this way the non-Communist is prevented from meeting and talking to the people in a public assembly. As a result some men and women resort to subversive and counter-revolutionary activities in the belief that the solution for relieving millions of enslaved people is in overthrowing the despotic régime. Others, discouraged, gradually give up the fight. The thinking and talented elements are disappearing without an opportunity to use their gifts for social betterment. What is true in social and political activities is also true in industry. Even the foreman in a shop must be a Communist.

The Soviet children are taught that Lenin was "the Prophet," and that the Communist party personifies the emancipator of the toiling masses. "Death to the bourgeoisie," "Down with war," and "Long live world revolution," are the daily prayers of Soviet children. War is seen as the guardian angel of the bourgeoisie and revolution as the triumphant march to power of the proletariat. To kill in war is wrong but to kill in revolution is right. The world is divided into two groups, the war-crazy capitalists and the peace-loving Soviets. Any well-dressed and well-fed man is pictured as a bourgeois and an enemy of the Soviet fatherland. History, beyond the class struggle, is unknown to the new generation. Filial love, love for

neighbor and for country and love of fellow-man have no meaning.

Home conditions with the average living space seven square feet per person obviously affect the morality of Soviet youth. The living together in one room of married and single adults of both sexes is producing disastrous results. Unending quarrels and fights among neighbors have overloaded the courts with domestic squabbles without regard for class distinctions.

Boys and girls decide rules of conduct for themselves. Parents cannot interfere with what is considered bourgeois morality unless they are prepared to face criticism and possible reprimand. "If you have a room, let us get married," is the guiding spirit of Soviet youth. Marry when you feel like it, whomever you meet, and get divorced in the same way. It is not uncommon to meet a girl of 20 with records of two or three marriages or her older sister of 25 who has had four or five husbands. Romance based on the concept of satisfying only biological desires is fast filling city slums, factories and shops with unhappy beings.

Large numbers of boys and girls, especially among the Communist youth, are strongly influenced by the hope of happiness in such a moral code. While the widespread idea that love is the satisfaction of biological need has ruined millions of innocent young people, yet many have survived. The distinction between a Soviet girl and her sister who is brought up under traditional home teachings is evident.

Human pride conceals much of the unhappiness of the Russian people. The adoption of communal kitchens and bathrooms is not the result of the Communist ideology of home and family life, but of the confusion and chaos due to the new social order which has prevented the people from readjusting family life and building houses for the rapidly growing population.

In spite of all these hardships Soviet Russia is gradually evolving

from a backward agricultural country into a powerful industrial nation. Millions of men and women are toiling under the fear of a destructive capitalist war against Russia and in the hope of a world revolution which will give them the leadership in reshaping the destinies of mankind. Whenever these hopes and fears fail to inspire the masses shock brigades are organized to rouse them to produce a maximum of energy. Since the initiative of the individual is absolutely crushed and the worker has nothing to fight for, the Communists apply the strat-

egy of fear and illusion to compel him to work. The suppression of natural rights, restriction of the development of high efficiency, deprivation of opportunity for the attainment of higher ideals of life and suppression of free expression are fundamental causes for poor organization. Low productivity and high costs, poor quality of products, an acute housing shortage, scarcity of food, insufficient clothing and a low standard of living have resulted. These are the products of the Soviet form of society under the dictatorship of the Communist party.

II—Better Than in Czarist Days

By VERA EDELSTADT

[The following article, presenting a different view of social conditions in the Soviet Union from that of Mr. Vocovich, is based upon a close study made by the writer during a recent visit to Russia.]

IN the new Russia as in the United States the centre of interest no longer lies in the home. But while in our country the shift has come about inadvertently through the automobile, the moving pictures, the restaurant and the club, in Russia the change has been more conscious, more sudden and more complete. The living conditions of the Russian masses are, if anything, somewhat better than in pre-revolutionary times. But for a Communist with a variety of outside interests home has not the importance that it has for a member of the old bourgeoisie who with his wife now lives in one room of a nine-room apartment which also houses four other families. Every one uses the communal kitchen at the same time, which leads to petty squabbles; waiting his turn at the communal bathroom is most annoying; the proximity of people he does not like, the noise, the constant friction fray his nerves. The wall-newspaper may carry a story of his "bourgeois" conduct and his only

recourse, if he wishes it retracted, is to submit to an investigation by the house committee. But if it does come to investigate he must hide his porcelains and paintings lest his rent be raised. Rent is fixed according to the wealth and earnings of the tenant, so that he must pay more for his one room than the Communist factory worker with a large family pays for the adjacent two rooms. One room is given rent-free to the children as a club room.

For the factory worker this same home is an improvement over what he had. If his wife works she takes the children to the factory with her and leaves them in the nursery in charge of trained attendants. The family can eat cheaply and well in the factory dining rooms, but if the woman prefers to cook at home she has a food card that entitles her to buy her share of what there is in the store at reduced rates. If the supply of milk runs low it is apportioned first to her children. Black bread, cabbage, cereal, potatoes, dried fish, an occasional piece of meat—such has been the food of generations of workers and peasants. They do not go hungry today, and they are healthier

than ever before. Typhus has been wiped out; infant mortality has been cut to half the pre-war rate. Those who wait in line before the shops are remarkably patient, confident that there will be an ever-increasing supply of the things they want and never had before. They have seen enough improvement in the organization of society, from their point of view, to make them believe in promises for the future.

In the Park of Culture and Recreation in Moscow, where crowds enjoy open-air concerts, sports, theatres, boating, an old workingman told this writer, "I remember when parks were only open to us on certain days. Usually there was a sign, 'For the clean public only.'" Today there are peasants lounging in a gleaming white palace of the former Czar, now a sanitarium. Even though there is a very limited number of such places and only a fraction of Russia's proletarian population is thus accommodated each year, the mere fact that the barriers are down has caught the imagination of the people. Every one—man, woman or child—takes part in "social work," teaching the illiterate to read and write, marching in demonstrations, doing anything to raise the standards of the community.

Dress is of small importance. Except for the costumes of distant tribes the outward appearance of the masses is characterized only by a complete lack of style and color. Hats are "bourgeois." A man wears cap, boots, colorless Russian blouse, unpressed trousers, leather jacket or ulster. Even if he chooses European shoes, hat and collar, he adds nothing from the point of view of "style." Since even a factory worker has meetings to attend and reports to make, briefcases are standard equipment. In Summer his head is probably shaven. Many young people wear the khaki uniforms of their Pioneer or Comsomol organizations. A woman wears kerchief or tam, short skirts and bobbed hair. Stockings are made of

cotton; shoes are for service, not for chic; silk is rare and brightly embroidered peasant costumes even rarer. While there is a growing interest in powder and lip-stick, they are frowned upon by the Young Communists along with jazz and fox-trotting as "bourgeois."

Lenin defined Communist morality as "everything that will unite the workers against every form of exploitation and serve to raise human society to a higher level." The youth of post-revolutionary Russia, lacking specific rules of conduct, and faced with a complete breakdown of old beliefs, experimented freely. There has been as much talk of the alarming looseness of morals as about the puritanical asceticism of fanatical Communists. The truth lies somewhere between the two. The people are now occupied so much with new interests in life that their interest in sex is rarely all-absorbing. In the moving pictures, the novels, the theatre, there is no emphasis on "sex-appeal." No artificial barriers are set up between the sexes to heighten interest. Boys and girls are regarded as equals, and it is expected that a girl will work to support herself as a boy does. This economic factor has had a deep influence on their relationship.

Marriage and divorce, as far as the State is concerned, are merely matters of registration. Alimony is rare, except where there are children, in which case the State forces a man, whether married or not, to provide support. If this new attitude has robbed the young of vague, romantic notions about the opposite sex it has given them in exchange a very much more natural and healthy relationship. Theoretically granted wide freedom in matters of sex, they are nevertheless strongly influenced by the attitude of the Comsomol organization; they are more restricted by the censure of their comrades than they could ever be by law. The Communist aim is to regulate one's private life so as to be of greatest service to society. On

that ground, and not from any moral scruples, drinking and sexual excesses are frowned upon.

Although Lenin's body lies in a tomb in Moscow he lives in the hearts and minds of endless masses of men, women and children. There is no standardized mold for Communists; it is Lenin's spirit that moves them in concerted action. Although the present leaders differ among themselves as to the interpretation of Lenin's words, they are his fanatical disciples. Their power is theirs only while they are servants of the party. The individual is but an instrument. The collective is not made up of a group of individuals; it has an individuality of its own, in which each one must merge his personality. Stalin may be all-powerful, but let him try to use that power for himself as an individual or try to give his private life a turn of luxury or frivolity and his power would be stripped from him and he would be disciplined more severely than any other individual in Russia.

A Soviet official serving his government abroad is sometimes requested to live luxuriously because it suits the requirements of his special duties; but when he is transferred to another job with different requirements these luxuries are quickly removed. In Russia the official lives as simply as the workingman and usually works much harder. If he earns more than the maximum, \$150 a month, he is expected to turn the surplus over to the party. If he runs afoul of the law in any way the party will punish him more severely than they would a member of the bourgeoisie. Punishment is not weighed according to an individual's deserts but according to the best interests of the collective. The aim is for "social justice." It is the subservience of the individual to a party that explains the party's quick rise to power.

Publications, theatres, moving pictures, radio—all the important instruments of forming public opinion—are

under censorship. This does not mean that criticism of the status quo is forbidden; it is not only permitted but encouraged. But the principles of the Communist party must not be questioned. On the stage and in print one finds a flood of criticism which is tolerated by the leaders as a safety-valve for letting off steam and as an instrument for fighting inefficiency and bringing about improvements.

Adult education is carried on through a vast network of cultural clubs in factories, villages, the army and even in jails. Seventy thousand amateur theatrical groups are aided by government support and are increasing rapidly in number. While the government is chiefly interested in the propaganda value of such activity, a factory worker or peasant, participating for the first time in a play finds a new opportunity for self-expression. There are clubs devoted to politics, literature and music, and although their primary aim is to develop Communists, they also enable the individual to think and express his thoughts.

The Bolsheviki early abolished discrimination against woman in personal relationships as well as in relation to the State; and her new economic freedom gave her the opportunity to exercise her new rights. The All-Union Congress of Soviets consists of 20 per cent women and includes delegates from even the most remote republics.

The various republics are encouraged to return to their national culture and language, long crushed by the Czars. Teaching illiterate peasants and factory workers to read and write and to take active part in editing newspapers, forming clubs, managing the affairs of the community; throwing open the theatres and recreational facilities to masses of people who never could afford them before; helping Moslem women to emerge from the shadow of their veils; these things, developing Communists, are tending to preserve individuality. The govern-

ment bends every effort toward educating the people to free themselves from outworn customs and to raise their standards of living.

Soviet Russia places her great hope in her children and is educating them, from the start, to be Communists. Yet education in Russia today is conducive to developing the individual. "The pupil should find the facts which he must know, by his own efforts, with the teacher and textbooks serving only as aids," a Communist educator explained. The pupils have self-government to help them understand the elements of social life. All studies are presented in their relation to the revolution. Children are taught to observe and question as much as possible, but within the limits of a certain prescribed philosophy of life, in order that they will be critical of existing conditions and ambitious for constant improvement.

This writer saw masses of youths and workers parading in a great demonstration against war, but she saw them equally zealous in voluntary military drill and heard them sing of their readiness for the day when the capitalist world will come to crush

the government of the workers. To them this conflict has been painted as inevitable, and they are constantly reminded of its imminence, but it represents "the war to end war." They are taught that once the capitalists "who instigate wars for personal gain" have been vanquished, the workers of the world will beat their swords into hammers and sickles and never fight again. So strong is this crusading spirit that they are taught to be ready to die, or live in unwavering faith through one Five-Year Plan after another, in order to build a society where the great majority will divide the prizes hitherto won by the gifted or lucky few.

Under the old Russian order the vast majority of individuals were crushed by an economic burden that gave them no opportunity for self-development. The new order established by the revolution has the avowed purpose of making the collective of supreme importance. Yet the masses are being urged to develop themselves physically and culturally and are given the opportunity to do so, although in strict accord with Communist philosophy.

Nobel Prize Winners in Physics

I—Michelson, Millikan and Richardson

By ARTHUR H. COMPTON

Professor of Physics, University of Chicago

[Since the author of this article is himself one of America's most distinguished scientists, he is the subject of the article by Waldemar Kaempffert, which follows and which thus completes the account of the four American scientists who have been awarded the Nobel Prize.]

WITH the passing on May 9, 1931, of Professor Michelson, there closes a chapter of history which is noteworthy in that it has marked the coming of age of American science. Not that the United States has in earlier years been without men of science. We are justly proud of our Franklin and Henry and Gibbs and Chamberlin among others; but it has only been during the last heroic generation that our nation has become a world leader in the growth of human knowledge. Such national leadership can be won only through the personal achievements of individuals and energy. In the work of Michelson, Millikan, Richardson and others like them, American men of science have found their inspiration.

Michelson

Albert Abraham Michelson was born at Strelno, Poland, in 1852, was brought to this country at the age of 2, and entered the United States Naval Academy at Annapolis when 19 years old. The greater part of his long and brilliant scientific career was spent at the University of Chicago, where he was director of the physics department from its organization in

1892 until he resigned his position in 1920 at the age of 77. He had the distinction, unique in university circles, of having never earned an academic degree but of having almost every possible honorary degree and other distinction awarded him.

Michelson's scientific activities are succinctly described in *Who's Who* by the single word, "Light." His whole scientific career was centred on the study and application of its characteristics. First and last of his investigations was the speed of light. More than half a century ago, at the United States Naval Academy, while preparing a class demonstration of Foucault's method of measuring the speed with which light travels, he found that his own simple apparatus was giving more precise results than did Foucault's own classical experiments. Young Michelson reported his results in a paper on "A Method of Measuring the Velocity of Light," in *Silliman's Journal* for May, 1878.

His original speed of light apparatus went through many refinements, culminating in an experiment in 1926 in which a beam of light was reflected from a mirror on a mountain twenty-two miles away, and one now in progress in which the ray is reflected back and forth for many miles in a vacuum. From his bed, two days before he died, assured by the reports of progress that this experiment was a success, Michelson dictated the introduc-

tion to the report of his final measurement. Centuries ago Galileo attempted to measure the speed of light by noting the time required to signal with lanterns from one mountain to another and back again. In Michelson's experiment the lanterns were replaced by a Sperry arc of the same kind as that used in the Lindbergh beacon, with a mirror on the distant mountain, and instead of the signaler a rapidly rotating mirror, which presents successive faces 10,000 times a second. How fast does light travel? Seven times around the earth in a single second, or as Michelson would say, 186,284 miles per second, with the last mile somewhat uncertain.

Why should Michelson want to spend so much time in finding precisely the speed of light? "Because it's such good fun," was his own reply. But behind that is the fact that the speed of light is perhaps the most fundamental of all the constants of nature. In connection with the astronomer's recent evidence that the very distant stars are receding, there is a suggestion that the velocity of light may itself be slowly changing. If this is true, an experiment such as Michelson's, repeated after a century or so, should reveal the change. It is only by precision measurements of this kind that we can learn how reliable the world of nature is.

Most of Michelson's work, however, was centred around his interferometer, which he considered his greatest invention. This is an instrument by means of which distances can be measured in terms of light waves. A beam of light is divided into two parts by a mirror, and by reflection from other mirrors the parts are brought together again. If both parts have gone exactly the same distance, they will form again a strong beam of light; but if one ray goes further than the other by as much as the length of half a light wave, the recombined beams will interfere with one another and darkness will result. Since it takes 50,000 light waves to make an

inch, this affords an exceedingly delicate means of measuring short distances.

For many years the international standard of length has been the distance between two scratches on a bar of platinum-iridium kept at the Bureau of Weights and Measures at Paris. Michelson measured this standard meter with his interferometer and found it to be 1,553,164.13 wave lengths of red light from a cadmium arc. Fourteen years later Benoit, Fabry and Perot remeasured the meter and found a value differing only by a small fraction of one wave length. This is the equivalent of having two surveyors repeat measurements of the distance from New York to Chicago to within a foot. If any catastrophe should damage the standard meter, it could now, thanks to Michelson, be replaced with great exactness.

His interferometer enabled Michelson, working with H. G. Gale and F. R. Moulton, to measure the rigidity of the earth. This they did by measuring the tides in a large buried pipe 500 feet long. If the earth had no rigidity, no tides should appear, for the moon's attraction would distort the earth's shape as much as that of the water. If, on the other hand, the earth were perfectly rigid, the tides in the pipe should follow a definitely calculable rule. The observed tides, only a few thousandths of an inch high, were a fraction of those calculated for a rigid earth, indicating that the earth has about the same elastic properties as steel. This supports the evidence obtained from measurements on earthquake waves, that the interior of the earth is a huge lump of iron.

Another striking application which Michelson made of his interferometer was measuring the diameter of a star. The highest power telescopes that have been made, including the great 100-inch instrument at Mount Wilson, have failed to show the fixed stars other than as points of light. The

stars are too far away to appear as disks. Yet by placing two interferometer mirrors on a twenty-foot beam, mounted on a telescope, Michelson made an instrument whose resolving power was as great as that of a telescope with a lens fifty feet in diameter. With this powerful instrument he measured the size of the star Betelgeuse (which marks Orion's shoulder), and his collaborators have since measured Antares, Arcturus and others.

Yet the work for which Michelson will probably always be best known is his famous "Michelson-Morley experiment," carried out in collaboration with Professor E. W. Morley of the Case School of Applied Science. This experiment was more than anything else the occasion for the development of the theory of relativity.

Light was known to consist of waves, and these waves were supposed to be propagated through a medium of unusual elastic properties, known as the ether. The earth in its yearly course around the sun must be moving through this ether, and this motion should affect the speed at which light seems to travel on the earth. Michelson conceived the idea of staging a race between two light rays, one moving parallel to the earth's motion and the other in the opposite direction. If two equal rowers start together, the first a half mile upstream and back, the second a half mile across stream and back, the one going across stream should win the race. In Michelson's experiment the two light rays raced a "dead heat." No effect due to the earth's motion could be detected.

How was this tied race to be explained? Fitzgerald and Lorentz pointed out that if all distances in the direction of motion were contracted a little the effect of the motion could not be detected. To Einstein, on the other hand, the experiment suggested that perhaps motion relative to the ether is of no significance, that it is only when a thing moves relatively

to some other material object that its motion has meaning. In the Michelson-Morley experiment there was no relative motion between the source of light and the apparatus, and thus no effect should be expected. Thus this famous experiment became the occasion for the development of the relativity theory.

Recently Dayton C. Miller, who collaborated with Michelson in some of his early experiments, presented evidence to the effect that the race between the two light rays is not quite a tie but that there remains a minute difference much smaller than the ether theory predicted. Michelson was thus spurred on to repeat his original experiment with even greater precision, and his conclusion that no difference is present larger than his very small experimental error has been accepted by the large majority of his colleagues. As yet, however, Miller's experiments are not accounted for, and the court of science cannot give a final verdict.

The confidence of the scientific world in the reliability of Michelson's results is astonishing. This is illustrated by the fact that his great "Michelson-Morley experiment," though its results were contrary to expectation and later became fundamental to the theory of relativity, was not repeated by any one other than his own collaborators for almost thirty years. This confidence probably resulted from striking confirmations of his other measurements. The almost perfect agreement of Fabry and Perot's measurement of the standard meter with Michelson's earlier result has been mentioned. An even more remarkable example was his analysis of the fine structure of certain spectral lines by means of his interferometer. This analysis required accurate observation and judgment of the brightness of dark and light bands. Other experimenters using similar apparatus were unable to duplicate Michelson's results. Yet, when years later new optical instruments

enabled the structure of these spectral lines to be directly seen, his earlier analysis was completely confirmed.

Michelson in his pursuit of science, as in his art and sport, had always the spirit of the true amateur. He was guided by the imagination of an artist, and did his work for the love of it. Yet he had schooled himself to take interest in the things of enduring value. It was his love of the search for truth, and his confident faith in the value of scientific endeavor, perhaps even more than his own great achievements, that made Michelson an inspiring leader.

Millikan

Robert Andrews Millikan was born in Illinois in 1868, was graduated from Oberlin College in 1891, received his Ph. D. degree from Columbia University in 1895, and after a year of study in Germany went to the University of Chicago. Here he worked for twenty-five years as a colleague of Michelson and made, in addition to many other researches, his measurements of the charge of the electron, for which he is chiefly noted. In 1921 he went to Pasadena, where he has been chairman of the executive council of the California Institute of Technology. In spite of his arduous administrative duties he has actively continued his investigations, notably in the field of cosmic rays. During the World War Millikan volunteered his services and was made chief of the science and research division of the Signal Corps, with the rank of Lieutenant Colonel.

Not only in the activities of American scientific organizations, but also in stimulating international cooperation on scientific problems, Millikan has taken a leading part. His laboratory has always been a haven for scientific men searching for an inspiration and a place to carry on their own investigations. Perhaps no scientist has ever personally guided the researches of more young men than has Professor Millikan. He is one of

those rare spirits who can envision the political and economic significance of science and at the same time keep that personal interest in his fellows which enables him to give them welcome encouragement.

Millikan's most important contribution to science was his precise measurement of the charge of the electron. In 1895 J. J. Thomson had given convincing evidence that the "cathode rays," appearing when an electric current passes through rarefied gas, consist of streams of minute particles carrying electric charges. These particles came to be known as electrons. Rough estimates of the charge carried by each electron indicated that it was probably the same as that carried by a hydrogen ion when water is dissociated by an electric current. Further studies suggested that all electricity was probably divided into such "electronic units." To test this assumption, however, it was necessary to make accurate measurements of individual unit charges.

Approximate measurements of these charges had been made by J. J. Thomson, H. A. Wilson and others, but their methods needed refinement before the precision could be attained that Millikan wanted. A tiny drop of oil from an atomizer was made to catch or lose an electron, and its motion was watched when between two parallel electrified plates. From the rate of this motion the size of the electric charge could be calculated. Many drops of various sizes, charged in different ways, were measured. The oil drop was replaced by a drop of mercury. Always the charge on the drop was a small whole multiple of a certain unit. From the average of all the readings the unit charge could be measured to about one part in a thousand.

Why should we want to know this constant exactly? First, because the electron is one of the three fundamental elements of which it seems the

world is made (electrons, protons and photons). The electric charge carried by the electron is its most characteristic property, and hence is one of the basic facts of nature. Second, if this electronic charge is known, we are able to calculate with precision many other interesting things, such as the number of molecules in a cubic centimeter of air, the weight in grams of any atom, the distance between layers of atoms in a crystal, and other quantities with which scientists concern themselves. The charge of the electron is thus a quantity which is second only to the velocity of light as a fundamental constant of nature.

Millikan's determination of this constant has been criticized from time to time, and many have failed to see how its precision can be as great as he has claimed. However, though new and independent methods have been devised for measuring the electronic charge, the value which he obtained seventeen years ago seems to be the most reliable that has yet been obtained.

The thorough experimental methods employed by Millikan have enabled him and his collaborators to make marked advances in many other fields. Especially noteworthy are his precision measurements of the speed of the electrons in photoelectric cells, which verified more completely a theory of Einstein based on the conception of light corpuscles. At one time also he held the record for having obtained the shortest wave length ultra-violet light that had been observed. Recently he has devoted his main attention to the study of cosmic rays, those mysterious messengers that seem to come from interstellar space. It is in fact perhaps fair to say that the work of Millikan and his collaborators has given the first strong evidence that these rays come from outside the earth, though such an extraterrestrial origin had long been suspected. Though the true meaning of these cosmic rays is yet uncertain, Millikan's investigations

have served to focus the attention of the scientific world on them as a problem of fundamental importance.

Richardson

Owen Williams Richardson was born in Yorkshire, England, in 1879, and studied at Cambridge University for nine years. It was during this period that he started his work on thermionic currents. This became of great practical as well as theoretical importance, since it is basic in the development of the vacuum tubes which are essential in radio, long distance telephony and the other modern industries. His famous "Richardson's Law" of thermionic emission was first proposed at Cambridge in 1901, though it required the experiments of more than a decade for him to satisfy himself and others that his theory of the emission of electrons from hot filaments was correct.

In 1906 Richardson went to Princeton University as Professor of Physics, and it was during his eight years there that he performed the crucial experiments in thermionics and photoelectricity for which he is chiefly known. It was his influence also that was largely instrumental in making Princeton a leading centre of physics research, a tradition since maintained by the efforts of his colleagues and former students. Thus, although his residence in this country was brief, we feel justified in counting Richardson as a leader among American men of science. In 1914, however, he accepted a call to the University of London, where he continues his investigations.

There probably is no other living physicist who has to his credit as many important contributions to the scientific journals. His prolific writings have shed light on difficult problems covering almost the whole field of fundamental physics—thermionics, photoelectric effect, magnetism, emission of electrons by chemical action,

electron theory, quantum theory, spectroscopy, X-rays, atomic structure, in addition to others. In each field he has shown himself a master. Richardson is no man of public affairs; he has wedded himself to his science. Yet because of his sound scientific judgment and his versatility of thought his advice on problems of physics is very highly valued.

Richardson's studies of thermionic currents and of the photoelectric effect deserve particular mention. It has been known for centuries that air near a hot body is electrically conducting. Observations had been made by Guthrie, Elster and Geitel, Edison and others, and in 1899 J. J. Thomson showed that the current from an incandescent carbon filament was carried by negative electrons. The suggestion occurred to Richardson that these electrons were evaporating from the filament, escaping because of their high-speed motion when the temperature became high. On this hypothesis he devised his "Richardson's Law," which has now been amply verified. He and his collaborators showed that when the electrons evaporate, the filament is cooled, just as moisture drying from one's face makes it feel cool. Likewise, when the electrons condensed on a metal surface, it was heated, just as one's hand may be scalded if live steam condenses on it.

It was these experiments on the currents emitted by hot filaments which led Fleming to devise his electron valve and led to the radio tube in use today. Coolidge's X-ray tube, now almost universally used, depends upon the same principle. Were it not for this work it would not now be possible "that a man should hear around the whole earth and half of heaven."

It was also the experiments of Richardson, working with K. T. Compton, which gave the first strong evidence that light is corpuscular in character. When ultra-violet light

falls on metals such as zinc or sodium, they acquire a positive electric charge, owing to negative electrons being thrown from their surface. Einstein saw that it was hard to explain this "photoelectric effect" by the action of light waves, and suggested in 1905 that the light really consists of little particles (photons we now call them), and that each of these photons may eject a single electron. Technical difficulties prevented an adequate test of his predictions based on this idea until seven years later, when, helped by improvement of vacuum technique, Richardson and Compton carried through the necessary experiments. Einstein's theory was vindicated. The number of photoelectrons was proportional to the intensity of the light, and the speed with which the electrons were ejected followed the law that Einstein had predicted.

A comparison of these three leaders of American science is of unusual interest. There is Richardson, a man of few words and of retiring modesty, disliking publicity and crowds and large audiences, yet enormously versatile in his own field. His research is his very life. Millikan, the man of affairs, who organizes cooperative work, a public speaker who thrills great audiences because he transmits to them some of his own enthusiasm, a friend who encourages his colleagues and students to their own best efforts, yet who finds time amid a busy life to carry on his own fundamental investigations. To him the human side of science is all important. Michelson, the artist and amateur, who saw in nature the beauties of the infinite and the infinitesimal, the master of measurement, who loved a sweet, smooth-running machine as well as an elegant mathematical equation, of versatile ability in sport and art and music, but essentially a lone worker in his own field of light. He lived for the enjoyment of nature. Each is inspired with enthusiasm for the search

of truth, and each has an intuitive sureness of the value of science. Such are those who are helping America write her chapter of scientific history.

II—Compton

By WALDEMAR KAEMPFERT

Science Editor, The New York Times

THAT Professor Compton should write about his friend the late Professor Michelson is very much as if Herbert Hoover were to write about Calvin Coolidge. Compton and Michelson were colleagues—co-workers in the Ryerson Laboratory of the University of Chicago. They saw each other daily for years. They were not only friends but fellow-explorers, although not collaborators, in science. Both won the Nobel Prize. Both proved themselves to be the most exacting and skillful measurers of light that the world has known. And the measurements and discoveries that both made have been applied by others in completely changing our conceptions of matter and of the universe.

Out of Michelson's measurement of the velocity of light over two paths at right angles to each other but of equal length came Einstein's theory of relativity, with a universe as finite as a sphere and with time and space playing the parts of actors in a cosmic drama so tremendous that we do not yet understand the plot. And out of Compton's work with X-rays came proof that the laws of cause and effect hold good only for the grosser manifestations of life—for the actions of billiard balls or of the machines that we see about us. In the infinitesimal world of the atom Compton's work shows that we deal only with chance—pure chance.

We are still taught in school that light travels in waves through a hypothetical medium called the ether. Some of these waves are longer than others. The long ones are what we call red, and the short ones blue and

violet. Beyond the red are heat waves that we feel but do not see, and beyond the violet waves are the ultra-violet and X-rays, both invisible.

A famous Nobel Prize winner, Professor Max Planck, proved early in the present century that we cannot always assume that the ether is like a carpet which is shaken at one end to produce waves that we see as light. There are no waves at all, he argued. Light comes in bullets or particles—what he calls "quanta." This is the "quantum" theory, of which we have been reading much of late. If it is correct, light comes in jerks, like moving pictures; but in jerks that follow one another so rapidly that the effect of continuity is obtained.

Throw a stone into a pond. Waves ripple out, much like the waves of the ether. They cause bits of wood to bob up and down. What Planck observed was that not all the bits of wood, but just one (which one could not be predicted), shot up when the stone was dropped into the pond. It is clear that waves could have nothing to do with the effect on this one bit of wood. The leaping of the bit of wood out of the water could be explained only if it had been hit by some random projectile. On reasoning of this kind, but much more exact and highly mathematical, Planck came to the conclusion that radiation is knocked out of bodies by quanta, or bullet-like particles.

Compton furnished the experimental proof that sometimes light does act as if it were composed of bullets. X-rays are light rays. He shot them under conditions that scatter them. Just what scattering means

you see when you hold a piece of thin, translucent paper against a lamp. According to the wave theory, the scattered light that you see should be of the same color as that of the source. But Compton's scattered X-rays behaved differently. They increased in wave length, if they had a wave length. This is very much as if you saw green through white tissue paper held up to a blue light. Such a phenomenon was theoretically impossible if X-rays were waves. It was possible only if we supposed X-rays to be composed of minute bullets or particles, just as Planck predicted.

The quantum theory, it has been pointed out, has done away with cause and effect, simply because it is a matter of chance just what will happen when light corpuscles fly about. Young Dr. Werner Heisenberg built on this basis a daring new theory called the "principle of uncertainty." He applied it with startling results to the structure of the atom.

After X-rays and radium were discovered it became necessary to revise our ideas about atoms. They proved to be complicated structures composed of electrons. In the centre was a nucleus of positive electrons (called protons) and around it revolved negative electrons, so that we had what seemed like an ultramicroscopic solar system. This model of an atom was not accepted very long. It could be shown that the outer electrons would in time fall toward the nucleus. In other words all the matter in the universe and therefore the universe itself should have collapsed long ago. Since the universe is still in existence it becomes necessary to construct another type of atom. This young Dr. Werner Heisenberg has done by applying Planck's theory. According to Heisenberg an atom, if we could see it, would appear as an ill-defined blotch. Instead of revolving around the nucleus in definite orbits, like planets around the sun, the electrons might be anywhere within the atom.

All that we can possibly know about the atom is that it radiates. It is impossible to state definitely where an electron is in an atom. It has to do something in order to make itself visible, and by that time it is somewhere else. Hence the positions of electrons in an atom can be determined only as life insurance statisticians determine the average life of a group of people. The net result is that physicists can never do better than indicate probable positions of atoms.

But is all this true or just mathematical moonshine expressed in everyday language? Compton turned the X-rays on a gas. He made the rays collide with the electrons. Then he took photographs of the collisions. The electrons proved to be where, according to Heisenberg's theory, they ought to be.

The work that Compton has done in experimentally verifying the theories of Planck and Heisenberg has shaken the very foundations of physics. We must acquire an entirely new way of looking at such phenomena as a glowing electric lamp. The new views cannot be expressed in language that is intelligible to men and women who have not had a training in higher mathematics. This is not to say that the cosmos is forever a sealed book to the uninformed. Ask the corner policeman whether or not the earth revolves around the sun, and he will undoubtedly answer that it does. Ask him to prove it and he will flounder hopelessly and eventually give up the task. The point is that the conception of a central sun with planets revolving around it is accepted as something axiomatic even by people who know nothing of celestial mechanics. So with the newer theories that Compton has done so much to verify and extend. Ordinary mortals cannot grasp the mathematical reasoning on which they are based and must perforce accept them and make them part and parcel of their habits of thinking.

Bulgaria's Solution of Post-War Problems

By CONSTANTINE STEPHANOVE

Professor in the University of Sofia

BULGARIA, for the first time in eight years, has experienced a change in government. On June 29, 1931, Kantcho Malinoff, leader of the Democratic party, formed a Cabinet to replace the Liaptcheff Government which had met disaster in the June elections. The long period of government by the Democratic Entente, which assumed office on June 9, 1923, is remarkable in the history of Balkan Ministries and all the more so because the Cabinet was composed largely of university professors. From time immemorial professors have been considered excellent theorists, poor in practical ability. Bismarck is said to have remarked: "It takes one professor to form a government and two to ruin it."

Stambulisky, once Premier of Bulgaria, had no use for the intellectuals, though he started his Ministerial career with the assistance of two of Bulgaria's best lawyers, Dr. Todoroff and Dr. Ghennadieff, and two of its best professors, Alexander Tsankoff and St. Kyroff. When he became president of the Agrarian Cabinet in 1921, however, he drove out of his party all professors who had pledged themselves to support it, and started a systematic persecution of the nation's "learned class." From that time on Stambulisky never failed to assail the lawyer, the banker and the professor until the Agrarian party soon counted not a single professor

in its ranks, a thing unique even in Bulgaria. This policy proved fatal to both Stambulisky and his party.

By the end of 1922 the country was divided into two camps—the Agrarian Government and party, supported by the extreme Socialists or Communists, and all the parties of the Opposition, chief of which were the People's party and the Democratic party. Meanwhile the nucleus of the Democratic Entente had been formed, supported by a secret society which had the sympathies of the Macedonian Revolutionary Organization. The leaders of the Democratic Entente and of its secret Annex were mostly Democrats, Radicals, Progressives, Narodniaks (People's party men), and a large number of university professors. The soul of the anti-Agrarian movement was Professor Alexander Tsankoff, at first an adherent of the Agrarian party, but subsequently the bitterest foe of the Stambulisky dictatorship. The backbone of the opposition to Agrarian rule was Andrei Liaptcheff, who was at the time Lecturer on Political Economy in the Free University of Sofia. Among the other opponents of the Agrarian régime were Professors Molloff, Danailoff, Mishakoff and Stainoff, and also General Vulkoff, War Minister in the Tsankoff Cabinet which preceded the Liaptcheff régime, and Colonel Kalphoff, Minister for Foreign relations in the Tsankoff Cabinet. All these men later held posts in

the Liaptcheff Cabinet. The entire staff of both universities in the country were with the Democratic Entente, although perhaps a greater rôle in the overthrow of the Agrarian régime was played by the teaching staff of the Military School.

Such was the background of the administration inaugurated by the Democratic Entente after the coup d'état of June 9, 1923. The overthrow of the Agrarian dictatorship led to a Professorial Government, a bourgeois government *par excellence*, because it represented the best and the strongest democratic factions of the country. After eight years of power it succeeded in establishing order and peace in the land by putting down the extreme elements and in solving a number of domestic and foreign problems.

No Cabinet is without blemish, but the Liaptcheff régime in Bulgaria proved to be the best the country had ever had. The eight-year administration of the Democratic Entente party—the longest term in Bulgarian history—was not marred by any scandal, a rare thing in the political history of the Balkans. Once again Bulgaria was able to appear before the world as a stable State capable of managing its interests, both at home and abroad. Order was created out of the chaos which followed the disastrous war. The currency was stabilized despite the huge obstacles that balked the efforts for the realization of such a great undertaking, and today the Bulgarian lev has double the value of the Rumanian lei. The professorial régime had to face the world financial and economic crisis which in Bulgaria, one of the worst affected of the defeated countries, had assumed a disastrous aspect. Fortunately, the nation has maintained a comparatively better condition than many other European States. The task of the party in power was rendered doubly difficult because one-fourth of the country's budget had to be applied to heavy reparations obligations.

The confidence which the régime inspired in the great powers and in the League of Nations enabled the country to conclude two foreign loans—the refugee loan and the reconstruction loan. Without this financial aid Bulgaria would have found its internal situation almost past redemption during the present period of world-wide financial and economic depression. Thousands of acres of marshy and unproductive land have been drained and thousands of Macedonian, Thracian, Dobrudjan and Tsaribrod exiles have settled on this land. This achievement alone helped to increase the prestige of both the Tsankoff and Liaptcheff Cabinets. The settlement of over 100,000 homeless refugees was a tremendous task, and by affecting it the Bulgarian Government indirectly did its share in bringing about a general pacification in the Balkans.

Perhaps the greatest exploit achieved by the Democratic Entente Administration was its success in establishing friendly relations with all nations, particularly with its neighbors. The most difficult international problem which every Bulgarian Government has had to face is the so-called Macedonian question in which Yugoslavia and Bulgaria are intimately connected. The Neuilly treaty divided Macedonia into three parts, allotting the largest to Serbia, the second largest to Greece and the smallest to Bulgaria. But this settlement stifled rather than solved the Macedonian question which has been kept alive by various societies and organizations, chief of which is the so-called Macedonian Revolutionary Organization. This organization receives its strongest support from adherents in Bulgaria and the United States.

America is too distant to be affected internationally by the aims and activities of the Macedonian political unions, but Bulgaria, as an immediate neighbor of Macedonia, Yugoslavia and Greece, is vitally concerned. The lot of the Macedonian Bulgarians, al-

ways an unenviable one, has since the World War become unbearable. Both Serbs and Greeks, despite the existence of the Minorities Clause to which they have publicly subscribed, have resorted to a rigid policy of assimilation which aims at stamping out the alien elements within their domains. As a result, since the signing of the peace treaties Macedonian refugees have been entering Bulgaria in steadily increasing numbers. It is estimated that over 500,000 Macedonians have emigrated into Bulgaria. They constitute an enormous financial burden and a great political problem for the Bulgarian State. Bulgaria, disarmed by the peace treaties, finds it difficult to check the activities of the Macedonian Revolutionary Organization, or to stop the crossing into her territory of new refugees from Macedonia and other regions under foreign rule.

Bulgaria's situation has been more precarious because both Yugoslavia and Greece hold her directly responsible for the deeds perpetrated in their territory by Macedonian revolutionaries. Stambulisky, who espoused a policy of Serbo-Bulgarian friendship, made the conditions still more dangerous when in September, 1919, he publicly declared, as head of the Agrarian Government, that "Bulgaria disinterests herself from Macedonia." The situation grew worse when his Serbophil policy was sanctioned by the so-called Nish treaty of 1922. As a result, the Macedonian Revolutionary Organization immediately issued a bitter protest against the Serbo-Bulgarian agreement. The manifesto denied the right of Serbia and Bulgaria to settle Macedonian matters between themselves alone and stated that their decisions were not binding for the Macedonians, and that the Macedonian Revolutionary Organization "will do its sacred duty to frustrate them." At that point bomb outrages and armed resistance in Yugoslavia were resumed by the Macedonian revolutionaries, while their

leader, Ivan Mihailoff, ordered his men to occupy the city of Kustendil in Bulgaria. The Agrarian Government, powerless to impose its authority in the district, lost prestige in the country and made its fatal political mistake.

Many other causes helped to bring about the downfall of the Stambulisky régime, but the blunder committed in connection with Macedonian affairs may be considered as the primary one. It has not been the only Bulgarian Government which has fallen a victim of this problem.

When Stambulisky fell, Ivan Mihailoff, the romantic Macedonian leader, was still master of the Kustendil district. His stay there constituted one of the most delicate problems with which the new Tsankoff Government had to deal. Fortunately, the new Ministry possessed the necessary tact and cautiousness for a solution of the question. The Yugoslav Government, extremely hostile to the new Bulgarian régime, promptly accused it of being pro-Macedonian. The bomb outrages along the Serbo-Bulgarian frontier and on Yugoslav territory became more frequent and the Yugoslav Government threatened Bulgaria with invasion. Greece followed suit, making the situation still more critical. An attack by a Macedonian band upon the Greek military post at Demir Kapia offered General Pangalos, the warlike Greek Premier, a pretext for invading Bulgaria on Oct. 20, 1925. That incident was enough to create a serious political complication not only for the Balkans but for the world at large. The League of Nations immediately took the initiative for a speedy localization of the conflict, while the Bulgarian Government offered only a passing resistance to the Greek invasion. The incident was soon settled in Bulgaria's favor. General Pangalos was ordered to withdraw from Bulgarian territory and Greece was compelled to pay Bulgaria an indemnity of 30,000,000 levs.

The Macedonian danger, however, remained. In Bulgaria itself, though popular sympathy with the Macedonian cause has been very strong, there was definite feeling that a settlement should be made in order to check Macedonian activities within Bulgarian territory and to prevent serious international conflicts.

On Aug. 3, 1926, the Yugoslav Government sent Bulgaria a strong note of protest against new Macedonian incursions into Serbian territory. The note declared that a repetition of lawlessness by Macedonian bands would compel Yugoslavia to occupy strategic points in Bulgarian territory. Every Bulgarian saw plainly that the Yugoslav Government, like the Greek, was anxious to transform a frontier incident into the long-cherished plan of occupying Western Bulgaria, including Pernik, its rich coal mining centre. The relations between Yugoslavia and Bulgaria after the dispatch of the note became more and more strained. A Yugoslav invasion and occupation was seen as a threat supported by some great power. Certainly Yugoslavia has had the unstinted moral and material support of France since a powerful Yugoslavia means weakening Italy, France's rival in the Mediterranean.

At this critical juncture in Yugoslav-Bulgarian relations, a reconstruction of the Bulgarian Cabinet became imperative. Public opinion for a long time had singled out Andrei Liapcheff as the man who should be called to head the government and save the situation. The greatest living Macedonian became Prime Minister of Bulgaria on Jan. 4, 1926. As if by magic a general feeling of security pervaded the land. The Yugoslav press, on the other hand, raised a cry of protest against what it called a "climax of provocations" by Bulgaria, and from that time the Liapcheff régime was derisively nicknamed the "Macedonian Government." But the Belgrade politicians soon discovered

that a Macedonian, even one with an iron hand, is to be preferred to statesmen without authority and influence. The activities of the Macedonian revolutionaries were checked on Bulgarian territory, though they redoubled in Yugoslavia. The Liapcheff Government, however, arrested a large number of Macedonian leaders and interned them in the interior of the country. That measure, though evoking intense indignation among the Macedonians, pleased the Yugoslavs, and was interpreted by all foreign diplomats in Sofia as "seizing the bull by the horns." Now Liapcheff was in a position to tell the Belgrade Government: "I have put my house in order; it is up to you to do the same, if peace is to be established between our two countries."

Contrary to expectations the Yugoslav Government commenced to be more amenable to the idea of a Yugoslav-Bulgarian understanding. In July, 1929, the Yugoslav Minister for Foreign Affairs, M. Nintchich, and his Bulgarian colleague, M. Bouroff, laid the foundation for what was subsequently to be called the Yugoslav-Bulgarian Frontier Accord, which pledged the two countries mutual support in settling amicably all disputes and conflicts on their common frontier. The Macedonian Revolutionary Organization and the Macedonian National Committee again violently protested against this compact of the Yugoslav and Bulgarian Governments. Macedonian bomb outrages became more frequent in Yugoslav territory. Nevertheless, the accord has worked successfully and the relations between the two countries have become normal and even cordial. As a result of the accord, for the first time since the World War the Serbian frontier has been opened to Bulgarians. Apparently the Yugoslavs have come to recognize that they are wrong in holding the Bulgarian Government responsible for the activities of the Macedonian secret organizations. The

Liaptcheff Government was thus able to convince the world that the Macedonian question is an international problem pending its proper solution. Since the signing of the Yugoslav-Bulgarian accord Bulgaria has not received a single note of protest in connection with Macedonian affairs.

During the eight years' rule of the Democratic Entente party, Bulgaria concluded treaties of friendship and arbitration with nearly all nations, winning the sympathy and co-operation of all States with which it has relations. As a consequence of its pacific policy Bulgaria's prestige with the great powers and the League of Nations has been growing steadily stronger. Bulgaria's international as well as internal position has been strengthened further by the royal matrimonial alliance with Italy. Only those who have been living in Bulgaria can adequately gauge the tremendous effect that event has produced upon the government's prestige, both at home and abroad. King Boris's marriage to Princess Giovanna of Savoy has elevated Bulgaria to a position of equality with the other Balkan States. No longer is Bulgaria the most despised and weakest State in Southeastern Europe. Notwithstanding her acute political and economic crisis, Bulgaria has managed to extricate herself from the most difficult and calamitous situation since the beginning of her new national existence in 1876.

Every political régime, however, if it remains long in power is doomed to become unpopular, not only with the various political factions, but with the common people. The Liaptcheff Government was no exception to this rule. The cry for its resignation was particularly strong during the Spring

of 1931, and in view of the popular demand for a radical change of government, Prime Minister Liaptcheff on April 20, 1931, was compelled to present the Cabinet's resignation to King Boris. A Ministerial crisis resulted which lasted for nearly two weeks. After Alexander Malinoff, leader of the independent wing of the Democratic party, had failed to secure the support of the Democratic Entente for a government under his leadership, King Boris withdrew his mandate to form a coalition Cabinet. The King and the majority of the people were convinced that for the moment no stable government could be established without the support of the Democratic Entente and one or two more of the bourgeois parties. For this reason M. Liaptcheff again was entrusted with the mandate to form such a combination, in which the Malinoff adherents were to be an indispensable factor. M. Malinoff's party, however, insisted on assuming full control of the prospective coalition, a proposal which was flatly rejected by the leaders of the Democratic Entente. After the failure of this second attempt to form a new government, King Boris empowered Premier Liaptcheff to continue to rule the country with his old Cabinet unaltered.

So the Professorial Government was compelled to prolong its existence and to supervise the general elections. All those versed in the way Balkan Ministries are formed and run knew full well that the third Liaptcheff Cabinet was a provisional or administrative Ministry, that its days were numbered. The June elections inflicted the *coup de grace* and the Liaptcheff Government passed into history.

Overproduction in the Professions

By T. SWANN HARDING .

Author of "Fads, Frauds and Physicians"

FOUR or five years ago, the advertising columns of *Industrial and Engineering Chemistry* listed dozens of individuals with high university degrees and impressive experience who wanted positions of almost any kind, whereas a single issue seldom contained more than two or three advertisements of employers desiring chemists. Very often these positions specified salesmen trained in chemistry rather than chemists. At this same time the employment bureau of the New York Chemists' Club warned prospective clients that it was really almost useless for them to list their names and qualifications, with the dollar registration fee, because there were so many more chemists than there were jobs. If this was the situation in normal times it is certainly far more acute today. In any case the suspicion creeps upon us that our universities have poured out doctors of philosophy and masters and bachelors of science with little regard for consumer requirements.

We have in this country 100,000 pharmacists who, on a population basis, man six times as many drug stores as are needed in Germany, which has well-organized professional apothecary shops. Moreover, these men, no matter how well trained professionally, increasingly find themselves in the position of being soda clerks, purveyors of cosmetics and of packaged pharmaceutical superfluities, and dealers in

all sorts of notions and hardware which have no relation to pharmacy whatever. As the duties of these men are degraded, and the number of drug chains increases, these clerks in our 57,000 retail drug stores find their salaries diminishing and the opportunities dwindling for employment at any salary at all.

We turn to the law. In the twenty years ended in 1921 an average of 850 law students annually requested admission to the New York bar. But in 1926 there were 2,309; 3,273 in 1929, and the increase continues. In 1900 there were 102 law schools in the United States with 12,408 students; the respective figures were 124 and 19,498 for 1910; for 1920, 146 and 24,503; for 1924, 162 and 42,743, and for 1928, 173 and 47,415. This increase caused the Bulletin of the Section of Legal Education of the American Bar Association to fear, in 1930, that "commercialism is likely to crush out the professional character of the calling," and to demand higher educational requirements for admission to the bar. At the moment the situation is such that if a practicing attorney from the provinces desires to qualify for the New York City bar, stern laws of competition urge the metropolitan character committees to work overtime in order to find some excuse to refuse him admission.

One product of this oversupply of professional workers has been organ-

ization upon what might be called trade-guild lines. Established lawyers, doctors and dentists these days find it very difficult to move their practice to other cities because the local professional gentry make life most unpleasant for such interlopers. For this attitude they are not to be condemned out of hand. They live in an acquisitive society amenable to the rules of profit economy, and certain limitations upon the most idealistic type of professional ethics are therefore inevitable.

In the United States we have an army of approximately 1,500,000 persons who man our medical facilities. This total includes not only about 150,000 physicians, 67,334 dentists, 200,000 trained and 151,996 practical nurses, 100,000 pharmacists and a hospital personnel of some 550,000, but also 7,602 osteopaths, 15,000 chiropractors, 8,500 Christian Science practitioners, 7,000 chiropodists, 3,000 masseurs and some 22,000 dental technicians and dental assistants. In spite of this army, which is greatly overcrowded in certain regiments, there are 2,000,000 sick among us at all times with largely preventable diseases. We have 700,000 cases each of malaria and tuberculosis annually and there are among us 1,000,000 diabetics. The venereal diseases remain far commoner than is necessary, and we actually produce 40,000 cases of smallpox annually. For every 10,000 live children born about 65 women lose their lives by diseases connected with childbirth, whereas proper care would cut this rate to less than one-fourth as has been demonstrated. Some 50 to 60 per cent of our population have decayed teeth that need repair; some 30 per cent have adenoids or diseased tonsils, some 25 per cent have uncorrected defects of vision. We have 3,000,000 partially or wholly deaf children and 350,000 crippled with rickets, bone tuberculosis and infantile paralysis. We have 100,000 drug ad-

dicts and 900,000 feeble-minded, imbeciles and idiots.

A great deal, though certainly not all, of this illness and disease could be prevented if our medical and dental professions were efficiently organized to protect public health rather than to protect the incomes of the practitioners themselves. With 149,521 physicians to its 118,127,645 population, the United States had in 1929 a greater percentage than had any other country, yet fewer physicians per 100 square miles than eighteen other countries. The District of Columbia leads the States in the number of physicians on a basis of both population and area. In spite of this we had 2,500 rural counties or districts where health centres were badly needed and only 467 of our counties employed full-time health officers. We had over 1,000 counties without a county hospital, and in 1927 South Carolina and Montana had only 71 physicians per 100,000 people, while healthy California had 200.

Although the number of physicians in the United States has increased less rapidly than the population growth, the number of dentists, hospitals, hospital beds, clinics and registered nurses has increased more rapidly. This is especially true with regard to the number of registered nurses and dentists, which, in spite of our disorganized public health service, has increased phenomenally. These facts indicate that professional graduates are being produced in an unplanned manner, production being entirely uncorrelated with consumption possibilities.

In fact, the study of medicine so far tends to become more popular in America year after year, although the number of institutions offering medical education is decreasing. Five thousand more medical school applicants were reported in 1929-30 than in 1926-27, and last year sixty-six approved four-year schools graduated as many physicians as were graduated by twice

that many schools twenty years ago. There were 4,500 medical graduates in 1929.

If medicine were organized on a scientific basis, a good practitioner, two trained nurses, a chauffeur trained in first aid, and two servants trained in simple sickroom duties, could attend 10,000 people who could easily contribute an average of \$5 annually, or a gross \$50,000, to care for the organization. Two or three years ago it was reported that Columbia University had 33,750 people with 20,000 of them annually availing themselves of medical treatment in a central and a branch medical office. In 1926, 8,069 were treated and 30,850 office calls were made, with 22,927 treatments accruing from the latter; some 7,923 of the patients desiring merely to be looked over and reassured. There were 15,991 fairly serious cases of illness. To attend these people Columbia had five large rooms, with examination alcoves, and an infirmary and hospital accommodations housed separately. The equipment was manned by one head physician, three assistants, six nurses and a few clerks at a total cost of \$21,985 in 1926. At the same time Bangor, Me., had 25,978 inhabitants with 64 physicians in good standing and a dozen quacks, or nineteen times as many as Columbia, and the service was perhaps about one-nineteenth as effective. The United States has one physician per 753 of population against one per 1,290 for Switzerland, 1,359 for Japan, 1,940 for Germany and 3,500 for Sweden where medicine is organized rationally on a national scale. This means that we have almost five times as many doctors as we really need in active practice today in this country. In spite of this the people do not get adequate service, and the physicians receive an average net income of \$3,000 or less, a meager return when we consider the expensive nature of their training and the dif-

ficulties they have in establishing a profitable practice.

There are approximately 200,000 graduate registered nurses in this country, many of them poorly trained because their education is a gratuity given them grudgingly by institutions whose major business is not education but the healing of patients, and which need a cheap labor supply to further their ends. A large number of these nurses cannot register for contagious diseases because so few of the institutions from which they graduate train them in this work. While we had 16 nurses and 173 physicians per 100,000 population in 1900, the respective figures stood 90 and 164 for 1910 and 141 and 137 for 1920. The results are obvious—thousands of graduate nurses struggling to live a life of virtue and financial stability at one and the same time, a hopelessly overcrowded field and inadequate service for the public, since most individuals find the daily rates for nursing beyond their means.

The 67,000 dentists in the United States are also unevenly distributed. Although in some urban districts there is a dentist to every 500 people, the public does not and cannot get adequate service, so poorly organized is the profession. Dentists themselves find their field so crowded that they have difficulty making a living. In many rural communities there is only one dentist per 4,000 population. While California had 103 dentists per 100,000 population in 1928, Mississippi had but 19.

In 1929 Shelby County, Ind., had thirteen resident dentists, twelve of whom were concentrated at Shelbyville, the county seat with its 10,600 people. These men engaged in general practice without specialization, and much of it was reported to be shockingly inadequate. Five of them earned only from \$500 to \$1,499 net, five from \$2,500 to \$3,499, two from \$3,500 to \$4,499, and only one from between \$4,500 and \$5,499. These

thirteen dentists served but 15 per cent of the population of 27,000. Obviously there were too many dentists. Yet it can be conservatively estimated that it actually cost \$338,000 to educate and establish these thirteen dentists in their offices, with their equipment. Yet their total net income in 1928 was \$36,675. The average dentist of New York City earns less than \$2,000 net annually. As in the case of doctors and nurses, this profession is overcrowded because production has been carried on without reference to consumer demand, whereas rational organization would enable fewer individuals more adequately and scientifically to serve more people, and to earn regular incomes considerably greater than the average now earned.

The old horse-doctor has become a scientific therapist and expert at preventive medicine among animals. A few years ago it was thought that the horse had vanished (he still exists to the extent of some 18,000,000) and that it was no use to study veterinary medicine any longer. So alarming did the shortage of veterinarians become at one time that the annual turnover of the Bureau of Animal Industry alone (which employs about 1,400 of them) was in excess of the number graduated annually, and its chief sent out a call for help. Many new lines of work have opened up to occupy veterinarians in public health work and preventive medicine, and large numbers of them are required for research and inspection purposes. Last year there were 137 graduates from our twelve accredited veterinary schools, the Bureau of Animal Industry requiring the services of 100 of them alone—if it could get them. It will take four or five years at the present rate of increase to make up the deficit. We have in the country about 10,500 of them, a shockingly small number—say one to 20,000 or 25,000 potential animal patients. The standard of veterinary education has been

raised in recent years, however, and the profession has been rationally organized to care for our animal population, so that its work is done far more efficiently than that of the human doctors. This regeneration we owe very largely to the United States Bureau of Animal Industry.

With architects conditions are not so good. The Architects' Emergency Committee of New York City reported in April, 1931, that 800 architectural draftsmen were out of employment and 500 of this number destitute. And it takes as long to train an architectural draftsman as it does a doctor of medicine.

In August, 1930, *Mechanical Engineering*, in an editorial, remarked on the stream of engineering graduates constantly issuing from the schools whereas mergers were constantly forcing high-salaried engineers into unemployment at an age when they could scarcely expect ever to be re-employed at a good rate of pay. Until the middle of the eighteenth century there were only two branches of the profession—civil and military engineers. Today we have stationary, mechanical, chemical, electrical and mining engineers. But, as a recent survey in California showed, too many people masquerade as engineers who not only lack college degrees and training, but often have only a high school or a correspondence course education. While this California investigator estimated that the average engineer earned but \$3,724 annually, his estimate for veterinarians was \$3,921 and for doctors \$7,944. However, State, Federal and big business organizations are today so in the habit of maintaining highly paid staffs of salaried engineers, he said, that the field for the private practitioner is narrowly restricted.

In 1927 chemical engineering courses in fifty-five institutions registered 3,504 individuals; in 1928 the figure was 3,780 and in 1929 4,541. Ten years later 44 per cent of these individuals will still be working at their profes-

sions; the rest will have become teachers, research workers, non-industrial or non-chemical workers or salesmen. In a bulletin issued in 1930 Purdue University said that only 37 per cent of its chemical engineering graduates were in the profession thirteen years after graduation. In civil engineering the bulletin dwelt specifically on the fact that so many graduates became big executives. Mechanical engineering graduates were in executive and administrative positions to the extent of two-thirds of the total fifteen years after graduation, and only the electrical engineering students very largely stuck to their profession, this being chiefly due to the phenomenal growth of the radio industry. The average salaries given were \$1,500 for the first year out; \$3,000 in five years, \$4,000 in ten years and \$6,000 in twenty years. While some received from \$10,000 to \$65,000 annually, these were usually in executive or administrative positions.

Professor F. L. Bishop, secretary of the Society for the Promotion of Engineering Education, informed the writer that industry demands about a 5 per cent increase in the number of engineering graduates annually, whereas the number of graduates from engineering courses has increased from 3 to 5 per cent annually in the past. The number of engineering graduates in industry at the present time is about 13 per cent of the number occupying supervisory positions, whereas industry would like to have this increased to about 17 per cent. Readjustment in the engineering field Professor Bishop held to be about right at the present time and more or less automatically taking care of itself. This, of course, presupposes normal industrial conditions. Special Report of the National Industrial Conference Board No. 25 on "Engineering Education and American Industry" finds a growing need for engineering

graduates who can fit themselves for the high administrative and executive positions.

For this reason the little volume entitled *The Profession of Engineering* is essentially correct in contending that while the profession is overcrowded with deadheads—and what profession is not?—there is greater demand than ever for men of exceptional aptitudes and capabilities. It concludes that "the demand for young men with capacity for becoming administrative or technical leaders is already far greater than the number of men now being graduated from the engineering schools." Statistics on the comparative increase in number of engineers and of population are relatively meaningless because in a mechanical age the former would tend to outstrip the latter, viewed proportionately. It is apparent, however, that while we have entirely too many engineers in these days of acute industrial depression, the tendency is to overcrowd the profession with mediocre individuals even in ordinary times.

This rather too brief survey considers only what we may euphemistically call the practical professions. Three conclusions appear to be warranted. In the first place we have produced educated professional men by fits and starts, in jerks and spurts of enthusiasm and without any clear, calculated consideration of possible consumer requirements. Thus we have overproduced engineers and underproduced veterinarians rather whimsically than in a definitely planned manner. Secondly, the practical professions, except that of veterinary medicine, are today overcrowded. Thirdly, a more rational organization of the practical professions with more efficient public service as a goal is as certainly going to produce what we may call "technological unemployment" here as in the skilled industrial professions.

The Socialist Movement In Spain

By BAILEY W. DIFFIE

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THE Spanish Socialist party, in the elections for the constituent Cortes, on June 28, won the largest number of seats in the new assembly of the Spanish Republic. For the present, at least, this victory ended the fear that Spain might be moving toward Communism and a violent social overturn. The growth of the Socialist party is regarded by many observers as one of the most remarkable features of Spanish national life and its steadily increasing strength was undoubtedly responsible in large part for the overthrow of the monarchy.

There are four principal groups of Socialists in Spain—the moderate group, represented by the *Unión General de Trabajadores* (General Labor Union), with its centre in Madrid; the more radical syndicalist movement led by the *Confederación Nacional de Trabajo* (National Labor Confederation), with its headquarters in Barcelona; the conservative Socialist organization known as the *Consejo Nacional de las Corporaciones Católicas Obreras* (National Council of Catholic Workingmen's Associations), headed by the Archbishop of Toledo, and the extreme or Communist group, which much of the time, has been forced to work under cover, but has been active in Barcelona, Madrid and other centres.

Labor problems are not exactly new in Spain. As early as the thirteenth

century Alfonso the Wise, in the laws known as *Las Siete Partidas*, was forced to legislate concerning the fraternities of workingmen. Later, a distinction was made between the *cofradías*, which were based largely on class, and the *gremios*, or associations of workingmen based on industry and craft. Efforts were made to stamp out the class organizations, but they were unsuccessful, and in the latter part of the eighteenth century there were more than 25,000 *cofradías*. They were very bitterly attacked throughout that century and especially by such statesmen as Jovellanos, who accused them of curtailing industrial freedom. Even the enlightened monarch Charles III legislated against them, and his less enlightened son, Charles IV, did likewise.

The Napoleonic invasions afforded a temporary relief to the troubled labor organizations, and when Charles IV and Ferdinand VII left Spain to the devices of the revolutionary Cortes, that body, meeting at Cádiz, decreed full industrial freedom. Though Ferdinand VII, on his return to Spain, was quick to undo all that the Cortes had done, he could only check the advance of liberalism. His wife, María Christina, acting as regent during the minority of Isabel II, was forced to permit the existence of such *gremios* as were not subversive of industrial progress and contrary to industrial liberty. This small but significant vic-

tory marks the beginning of an almost uninterrupted march of progress for labor and the social ideal.

Further progress came with the general growth of liberalism in the nineteenth century. The ideas of the Frenchman, Fourier, were introduced into Spain by Joaquín Abreu in the early part of the century, but, like Fourier, Abreu seems to have contributed little but an ideal, leaving to others the practical development of socialism. He was soon followed by Fernando Garrido, the founder of *La Atracción*, the first Socialist journal published in Spain. This paper was later carried on by Ordax AVECILLA, a pupil of Garrido's, who gave it a distinctly moderate tone. In the meantime a more radical movement was growing in Barcelona, where Abdón Terradas founded another newspaper, *La Fraternidad*, with a frankly revolutionary and communistic tone. These two extremes in Madrid and Barcelona are characteristic of the differences that were destined to develop in Spanish socialism.

In the general upheaval which accompanied the revolution of 1868 the workers gained the right to meet and organize to a greater extent than ever before. This was further guaranteed by the Constitution of 1876, which granted the right of peaceable assembly, freedom of expression of ideas and of labor associations. As this Constitution also carried a provision empowering the government to suspend these rights in "unusual" circumstances, it was often violated; nevertheless, the labor organizations now enjoyed a semi-legal existence and their growth was assured.

Almost simultaneously the development of Spanish socialism was reviving the old fundamental differences of Castile and Catalonia. The new influence on the movement at this time was the First International. In 1868, two disciples of opposing schools, Farinelli representing Bakunin and Lafargue representing Marx, visited

Spain to take advantage of the general social unrest. The next six years, from 1868 to 1874, were fruitful years for the movement. In 1869 a *Manifesto of the International Workers of the Madrid Section to the Workers of Spain* was issued, radical enough in tone to satisfy even the most unbending Marxist. Two conferences were held in Barcelona, in 1870 and 1872, and by 1874, when the Restoration brought reactionary legislation, the movement had gained a membership of some 25,000.

The Restoration did not stamp out Spanish socialism, but it did kill whatever unity existed up to that time. The differences between the principal sections of Spain now became clear, pointing the way the movement was to travel. Already at a congress held at Saragossa in 1870, the delegates from Catalonia had grouped themselves around the ideals of Bakunin, while those from Madrid had favored the principles of Marx. Madrid, much more permeated with ideas of centralization and authority, favored a movement to work unitedly and politically for socialized industry; Barcelona, always individualistic and violent, believed the anarchism of Bakunin more appropriate to the situation and espoused the direct methods characteristic of that school of social thought. These opposing wings could not long work together.

The anarchists formed the *Federación de Trabajadores de la Región Española* (Federated Workingmen of Spain), which lasted from 1881 to 1888, and held a series of congresses at Barcelona, Madrid, Seville and Valencia. The final congress was at Valencia in 1888. Much work had been done in training members and in establishing newspapers like *Tierra y Libertad* in Barcelona. The Socialist group was also developing its organization. In 1879 it formed the *Partido Democrático Socialista Obrero* (Worker's Social Democratic Party), and in 1886 was strong enough to establish an official organ, *El Socialista*. It held

its first congress in 1888. At the same time another organization, the *Unión General de Trabajadores* (General Labor Union), the trades union organization of Spain, was being sponsored by the same forces. The chief spirit of the movement was Pablo Iglesias, the man who made socialism a political force in Spain.

The formation of the General Labor Union in 1888, the year of the demise of the Federated Workingmen of Spain, did not mean the triumph of socialism over anarchism, but rather that the Anarchists intended to demonstrate their belief that organization is evil. That spirit remained alive, and the years following 1888 were marked by outbursts of violence in all parts of the peninsula, particularly at Barcelona and Madrid and in Andalusia. It was significant that Andalusia, a rural section, should be influenced by the anarchism generally attributed to Catalonia. Violence was directed against the landlords who had stirred up hatred by their niggardly policy toward the small farmers and farm workers. The most serious act of this turbulent period was the assassination in August, 1897, of Antonio Cánovas del Castillo, the Prime Minister of Spain, by the Italian anarchist, Miguel Angiolillo.

A new element, French syndicalism, now entered Catalonian anarchism. The old movement had lacked organization and had not developed much beyond violence and sabotage; the new was to organize the vehement energy natural to Catalonia. The organization centred first in the *Confederación Nacional de Trabajo* (National Labor Confederation) with headquarters at Barcelona, where later the *Sindicato Unico*, really the "One Big Union," was organized. The idea of the *Sindicato Unico* has grown rapidly since the World War and has succeeded in enlisting the important *Federación Nacional de Agricultores* (National Federation of Agriculturists) which was organized at Córdoba in 1913. The post-war period has been

marked by the same type of violence that characterized the last decade of the nineteenth century—the workers and farmers venting their hatred on the employers and landlords who have grown rich from the war but have not shared their wealth with the employes and peasants.

The program of the General Labor Union was altogether different. Under the leadership of Iglesias it aimed at establishing social justice by political action, and though often sympathetic with the aims of the National Labor Confederation, it did not work for them. The political results of Iglesias's work were seen at first more in the efforts of his opponents to keep him out of office than by any success at the polls. All the tricks of political manipulation were employed by the Liberal and Conservative parties to prevent the election of a Socialist. Though this was highly successful for a number of years, it finally could not prevent Iglesias from being elected to the Cortes in 1909. The beginning had been slow, and the number of Socialist delegates in the Cortes was never large, but in 1918 there were nine Radicals and six Socialists in the lower house and by 1922 the Socialists were strong enough in Madrid to elect five of the seven members representing the city.

Political gains are not the only measure of the success of the Socialists of Spain. Their achievement has been in organization. Today, with a membership of 200,000, they are so strong in some industrial centres that they can prevent any but their own members from receiving employment. They are affiliated with the Second International to which the British Labor party belongs, and have refused steadfastly to align themselves with the Third International of the Communists. However, the party is more radical than the British Labor party. One of its chief sources of strength is the intellectual class, especially the university profes-

sors. The compact organization of its members puts into its hands a weapon of sufficient strength, the general strike, to force the government to listen to its demands.

There is one other organization that should be mentioned—the *Consejo Nacional de las Corporaciones Católicas Obreras* (National Council of Catholic Workingmen's Associations). This movement was started by the Church in an effort to control radical socialism by setting up a counter-attraction. The Catholic Workingmen's Centres, which were formed at first, were united in the National Council, organized in 1910 with the Archbishop of Toledo at its head. Its program includes social insurance of the kind now in effect in Germany and Great Britain.

The Communists form the most recent group of Socialists in Spain. They have been unable to make open headway because of opposition in almost all circles, including the other Socialist groups. Their strength, actual or potential, cannot be estimated, since at present they are seeking to take advantage of the rapid shifting of opinion in a period of political stress. The Soviet press has discussed at length the possibility of Spain's turning Communist, and the present period in Spain is compared with that in Russia preceding the Kerensky dictatorship. Meanwhile, the Communists are being accused of much of the present violence in Spain.

The Socialists form one of the principal sources of strength in the Provisional Government of Spain. The conservative tendencies of such men as President Alcalá Zamora, who was a monarchist until the coup d'état of 1923, and of Miguel Maura, the son of Spain's famous conservative Minister, are in strong contrast with the frankly socialistic aspirations of some members of the coalition. Indalecio Prieto, chief representative of the workers in

the industrial section around Bilbao; Francisco Largo Caballero, who has held important offices in the Socialist party and to whom the workingmen are looking for better conditions under the Republic, and Fernando de los Rios, leading spokesman of Socialist intellectuals, all demand large measures of socialism. Three of the most important Socialist groups call for a more definite social program if they are to continue to give the government their support. The head of the *Sindicato Unico* has made the declaration that "the laboring classes are now going to take things into their own hands and govern, if a better adjustment between capital and labor is not made." A mildly socialistic decree has already been issued ordering all arable lands to be cultivated at the owner's expense, but under the direction of committees empowered to prescribe the kind and extent of the crops and the number of workers, as well as their wages and working conditions. If an owner refuses to cultivate his land it can be seized by the committee and used as it sees fit, but the owner must bear any possible loss.

The dissatisfaction likely to result when the farming and laboring classes do not find the paradise they expect from a republican régime seems to be the greatest danger to the conservatives in the Spanish Government. Already groups of workingmen have seized factories and have been expelled only by force. The danger of peasant uprisings against the landlords is as great today as it was immediately after the World War. The trend of events cannot be predicted, but if the present régime is to retain the support of the people, it must rely to a large extent upon the Socialists, the best organized of all the parties. [For further developments in the Spanish situation, see Professor Lingelbach's article elsewhere in this magazine].

Industrial Relations and Hard Times

By WHITING WILLIAMS

Author of "Mainsprings of Men," "What's on the Worker's Mind?"

A PERIOD of depression offers a much better opportunity than days of boom for gauging the relationship between employer and employe. In America, we have reason to congratulate ourselves that the present economic crisis reveals a distinct improvement in comparison, for instance, with the slump of 1921-1922. I can best describe certain of these new and gratifying changes by relating how they came to me as a series of surprises, when, during the Summer of 1930, I put on old clothes and moved as one of the many jobless workers in such industrial centres as Chicago, Detroit, Cleveland, Gary and Pittsburgh—cities in most of which I had lived for some months as an unskilled laborer in steel plant, roundhouse or factory, during the Winter and Summer of 1919.

"Why should the *regulars* come lookin' fer work?" was the answer given by most of my fellow-job-seekers outside the gates of various great plants when I had expressed surprise at finding only a handful of applicants. "All the guys with regular jobs here know that as soon as work opens up they'll be *sent for!* It's only us floaters that's worried about grabbin' work, just fer the day."

But in 1919—the first post-war depression of 1921 was just beginning—it was a small plant indeed which did not have, especially on Monday morning, its scores and hundreds waiting to make sure that no stranger by hap-

pening along at the psychological moment should take away their chance for a place on the payroll.

All our industrial history has never witnessed so extensive a "staggering" of jobs—dividing up what work exists, share and share alike among the entire working force, in contrast with the older and simpler method of laying off or dismissing one group while giving full-time employment to the lucky remainder. This plan has not, of course, served to give the workers as a whole any more earning power than did the traditional practice. But it has helped to establish for the worker, during exactly the period when it is most needed, something like a "vested interest" in his job—a sense of ownership in his place upon the payroll. Even if this piece of property, like countless others of a more tangible sort, produces for the time a far from satisfactory income, such acknowledgment of it is of great assistance to a man's standing not only in his own eyes but also in those of his butcher, baker and candlestick maker. The possession of even a fifth of his regular function and responsibility and earning power is at least 500 per cent better for a man's soul than no job at all quite apart from any economic considerations.

This presentday practice of shared employment helped noticeably to the second surprise—the number of workers who assured the informal inquirer that their hourly rates had not been

cut. Without "staggering" not dozens but hundreds and perhaps thousands of applicants would have been outside the factory gates. Cast adrift, stark necessity would have driven them to take any chance employment which the district afforded. As a result, a superintendent, looking from his office window, would have known full well that probably most of the crowd could be hired for almost any figure he cared to name. In such a case he would have found it enormously harder to keep that pair of promises made by his superiors, the captains of industry, in the White House conferences of November, 1929—that along with divided work would go, so far as possible, a sincere effort to maintain hourly rates. Failure here would have made it vastly more difficult for the country's leaders of labor to keep their promise to discourage to the utmost all forms of industrial strife. Through the combined efforts of all concerned in the White House conferences, in spite of the decidedly warlike reputation of depression years, the difficult period of 1930 was able to achieve the amazing record of staging fewer strikes than in any other year save one since 1916!

Early in the crisis many smaller concerns, especially contractors engaged in building local roads, were accused by the workers of slashing wage rates, and, during more recent months, the temptation to cut wages has greatly increased, especially in certain fields which are felt to be considerably out of line with remuneration levels elsewhere. Nevertheless, it can properly be said that on the whole never in economic history has there been known anything like the present effort of employers to maintain and distribute the worker's buying power, and also to help him keep his morale as high as possible.

Any one familiar with labor history must be surprised by the number of workers who are able to give such testimony as the quiet-voiced, high-type mechanic on the train near South

Bend. "My savings have been pretty good," he said, "so we're just getting by—with the help, of course, of occasional odd jobs like the one this week with the railway section gang. 'Course we've had to cut down on the movies and such. But we haven't gone hungry." A large measure of credit for such testimony must be given to the fact that the past ten years have seen unequaled cooperation between employer and employe with respect to savings, budgets and investments.

Too many concerns, undoubtedly, have tied their worker-saving plans to the purchase of company stock. Some of these plans have worked out badly because the stock was worth too little; others because the stock was worth too much! When its price soared, the worker-purchaser showed himself entirely human by hurrying to sell his shares, pocketing a handsome profit. Unfortunately, during the steaming days of 1929, that profit stayed for only a few days in the workers' pockets before reinvestment. The General Electric Company, for instance, enjoyed for some time the pleasant feeling that it possessed the moral support and partnership of a gratifying number of employe stockholders. Later it was discovered these worker-partners had not only sold their shares at a gratifying gain, but, much worse, had invested their profits in an aggregation of alluringly engraved but highly illusory "cats and dogs!"

This discovery led to a plan which is worthy of more general emulation; a committee of officers and workers now undertakes to issue certificates to employes representing a pooled equity in the stock or bonds of a number of outside concerns. Not long ago these shares represented a total value of \$40,000,000 and were held by 40,000 company employes earning less than \$5,000 a year. Such a portfolio often includes the stock of a number of the company's customers. In that case every employe who is a member of the investment pool can be counted

on to improve the product so as to increase profits, first for its users and thus later for the pool.

No period in history has witnessed anything comparable to the degree in which the American industrial employe since 1921-22 has become a capitalist. An untoward result of this development was that, also for the first time in history, a crash in Wall Street was felt not only indirectly, but directly, in hundreds of thousands, if not of millions, of wage earners' as well as salary earners' homes. In spite of this particular phenomenon, however, the net result of all these developments represents a genuine and enormous gain in the powers of the worker group to weather such ugly storms as have swept the country since October, 1929.

One unmistakable indication of this net gain, I believe, is the surprising number of jobless men who are searching for work with the help of the family car! This is partly the effect of the fourth surprising improvement in the human phase of American industry—the recent marked lengthening of the dollar-and-cents wheelbase of the American family, as a result of the increased number of women wage earners. If father or John has been laid off or cut to a few days per week, the chances have been that mother or Maggie carries on.

What bearing this has upon the number of automobiles driven by job-seekers is indicated by an explanation attributed to one of the famous Van Sweringens of Cleveland. A friend objected that he must be paying his building craftsmen unduly high wages to permit them to park such handsome cars outside the hotel his organization was constructing. The reply suggested a more fundamental diagnosis. "If," he answered, "you took the trouble to inquire, you'd probably find that the man's wife is clerking, at least during the holiday season, at one of the local department stores. Still further, you would probably find that her young

son and daughter are also doing their bit after school—all for helping the family to play its proper part in that well-known indoor and outdoor American sport of keeping the wolf away from the garage door!"

The depression proves that the American wage earner has come to feel definitely that his self-respect and his standing among his neighbors require not only the roof above his head, but also the gas pedal beneath his feet. More pertinent to the discussion, however, is the influence of the decided increase in the number of women who today are to be seen entering the factory as workers, not at typewriter or filing case but at lathe and drill press. At the factory gates may be observed an increased resentment on the part of those who see their jobs passing to those who accept men's work at lower rates. To date, however, the employer has tended to make slight adjustment to this feeling beyond a general effort to dismiss the woman whose husband is known to be gainfully employed.

To this group of developments which have helped the worker to weather the depression must be added, I am convinced, another of a more controversial sort—the absence of the saloon in particular, and, in general, the "experiment" of prohibition. Without endeavoring to argue any of the various "moral" or other issues involved, it must be said that any one who moves among the workers and compares 1930 with 1919, becomes convinced that, apart from its other defects, prohibition has proved of tremendous value in dollars and cents to the working man.

"Sure, you can get it anywhere," was the assurance given the newcomer in the various industrial districts, but always with the addition that "of course they got to know you!" Particularly among unemployed men, whether loafing part time or looking for work, this proviso is extremely important. As a result of it I

reached the conviction that the ordinary working-class speakeasy does not only vastly less business than the old saloon, but bears only slight resemblance to it. That ancient if not exactly honorable institution was always as close as possible to the paths of the workers. Almost always it was well lighted, warm and generally alluring. As a rule, also, it was presided over by a priest of good fellowship, a Mike or Stanislaus, who endeavored to attract business by virtue of his personality. Today, on the other hand, the speakeasy tends to be more or less off the beaten tracks of the wage-earner. When once reached, it is likely to prove dirty, dark and altogether dreary—presided over by a man or woman whose lack of training allows him nonchalantly to force his customers to step over the prostrate body of a recently “passed-out” customer, and whose sense of legal insecurity is such that he probably ruins all likelihood of gayety by glancing at the door every time its opening spells the thought of a policeman. Leaving other and more arguable considerations aside and deducting all effects of either speakeasy or home-brew, the absence of the saloon has contrived since 1920, I believe any careful observer must agree, to take the weight of the liquor traffic largely off the necks of those narrow-margined citizens who, to the tune of more than 100,000,000, have daily to decide between shoes and liquor. Now it weighs on the neatly pressed lapels of the few million more prosperous persons who can afford both shoes and liquor.

Unquestionably the shift in the channels of expenditure of the mass consumer has had much to do with the number of job seekers who drive in cars to plant gates with the increase of savings. And generally with the cooperative reasonableness apparent in 1930 of maintained wages, staggered hours and infrequent strikes. The surprising shift in expenditures

from mass liquor to mass shoes and gasoline is going to receive increasing consideration in all the planning which is just ahead for speeding up again those lagging assembly lines of our mass production factories.

All these five developments must be taken into account to explain the slight attention paid by the country's workers during the current depression to the Communist agitator. “An ordinance here, I understand, forbids my passing the hat,” a Bolshevik speaker explained as he extolled Russia from a small rostrum erected in Tom Johnson Square, Cleveland. “But nobody will go to jail for dropping a dime or quarter into this here hat at my feet.” An hour later he burst forth: “Here I been passing out for nothin’ printed matter that cost every cent of twelve good dollars, and yet all you guys have put in that there hat totals now to only—let’s see—forty—fifty—fifty-five cents!”

As the Fall is likely to see an end to the policy of waiting for the return of normalcy, an unparalleled effort on the part of industry to meet the requirements of profitable operation at new price levels may produce enough employment to offset in a large measure the anticipated exhaustion of worker savings. In any event, we are justified in saying that to date the depression has demonstrated an amount of genuine cooperation between employer and employe unequaled, even unapproached, in any corresponding period of strain and test. During the most recent of the earlier depressions, that of 1921-22, hundreds of concerns which during the war boom had established elaborate departments of employment, welfare or what-not, uttered a war-whoop of “Labor liquidation at last!” then cut wages, and finally threw the departments out of the window. But in the present difficulties the larger employers, from Maine to California, have tended to lean upon the employment manager or the personnel director and to charge him with heavier

duties and responsibilities than in the preceding days of prosperity.

The particular cause of this astonishing change of attitude and method is of the utmost significance. By no means is it the result of some sudden flowering of either the employer's or the employee's good-will or human kindness. If such were the case, it would spell little for the future because the same sudden givers of the new dispensation might later be persuaded in changed circumstances to take it away with equal suddenness. The fundamental reason is to be sought in a phenomenon entirely new within the last ten years, a phenomenon which may some day be set down as one of the most important developments in social-economic history since the application of steam power itself. This is the general acceptance in America of the *complete dependence of profitable mass production upon prosperous mass consumers*. More irrevocably than any other idea since the dawn of the industrial age, the acknowledgment of this interdependence cuts the ground from under the old classical theory of class profit through mass exploitation and ties the feet of both plutocrat and proletarian into the tempo, fast or slow, of the factory's assembly line. As never before, it is today accepted among us that gasoline for a Rolls-Royce as well as a Ford depends largely upon the speed with which that assembly line is kept going by the demands both of the leisured, coupon-cutting few and of the busy, wage-earning many.

The extent and the meaning of this new economic outlook can be realized only by noting how unusual it is in Europe. For this, of course, there are valid reasons. One is the smaller European markets and the resultant limitation of mass possibilities; another is the lower wage scale and therefore the greater discouragement, relatively, of labor and wage-saving machines. Lessened use of the machine becomes doubly important in every period of

depression because it permits the employer to make much larger savings by lowering wages. In America the high proportion of costly machinery tends to make every wage-cut a disappointing reed for production economy to lean upon. Apart from the underlying reasons, the difference between European and American experience in mass production produces a very significant difference of industrial attitude and relationship. Besides increasing the European's habitual dependence in hard times upon "labor liquidation," it vastly increases also the European employee's traditional reliance upon a deep-down and highly resistant philosophy, not of class co-operation, but of class pressure and class conflict.

This brings us to the best marked and most controversial divergence of the roads in the whole field of American industrial relationships. The European worker, as a result of his fairly recent reliance upon legislation, has obtained during these depressed times a greater measure of security than has his American colleague. For this he has paid, I believe, entirely too high a price in terms of worker opportunity. The American employee, I believe, has still a huge net advantage in general well-being. Yet, significant as are the gains outlined above, they leave a certain in-all and be-all which is still to be desired by the American worker, that is, the job itself, the *regular* job. Even the best of conditions for working hours and relationships—so my various experiences and observations among the workers here and abroad make plain—pale into insignificance beside the colossal tragedy of having no working hours, no jobs, at all.

The chief value of these surprising industrial developments, therefore, should be to tell us that we have contrived in America the methods of industrial understanding and interdependence which have obtained to date results which would have been noth-

ing less than astounding to an employer even fifteen years ago. These methods should be utilized today for warring against the great arch-enemy, unemployment. The experience gained under the stress of depression and and near-panic conditions will prove of huge advantage to both worker and employer in America if it helps us keep our eyes more firmly fixed than does Europe upon the true objective ahead of industry everywhere—the provision, not of doles or other alleged substitutes, but of work itself.

For the worker there is in all the world no substitute for his job except another job. The reason for this is less economic than is generally supposed. The simple truth is that, since the beginning of human history, nothing has ever been invented which counts for more in helping a man to believe in himself, to retain his self-respect, than his job. It is enormously more for this spiritual than for the ordinary economic reason that unemployment comes to cause more human misery and bitterness, more resentment against all accepted human institutions and more destruction of moral fiber than all the other factors of modern industrial life. For exactly the same reason the whole life and soul of an industrial nation begins to deteriorate the moment it is assumed by any means or manner that the evils of joblessness have been exorcised by the arrangement of insurance payments—that the whole equation is merely mathematical and economic, and that, therefore, a citizen who receives \$15 for a week of folded hands is half as well off as if he were receiving twice that amount for his handiwork. Nothing is further from actuality, nothing is more broadly and deeply dangerous to a people than such a false assumption.

It is because this assumption is much less likely to be made, when the plan involves not the taxpayer but only worker and employer cooperation, that industrial methods of insurance

are to be preferred to legislative plans. Both forms may conceivably be necessary, if work is in future to remain permanently scarce, but neither is to be regarded as anything but a make-shift except in so far as it prevents the supreme evil of joblessness. With or without the help of the legislator's fiat and the taxpayer's partnership, no plan that does not prevent the evil is for a moment to be accepted as an effective attack on the underlying problem. While, therefore, the European worker is better cared for off the job, the outlook for the advancement of his interests at the point where he, like every other worker, really lives and moves and has his being—on the job itself—remains unquestionably far worse than that of our fellow-citizens in America.

Our problem here remains to increase our worker security, but by methods which do not exact too high a price in worker opportunity. This means the improvement not so much of the worker's conditions, either on the job or off, as of his chance at a job, and this in turn, it must seem, is gained not by the mitigants and substitutes now so generally discussed, but only by a net increase of the total of available full-time, full-pay jobs.

The attainment of this objective is not so hopeless as present pessimism assumes. It lies, I believe, through such fields as (1) increased coordination of business authority and leadership; (2) increased research for inventing new products which, like the "horseless carriage," may supply work to those laid off by improved processes, and (3) greatly increased international-mindedness among us, in view of all that we stand here to gain from any and every heightening in the level of living and buying enjoyed by the other 1,500,000,000 of our fellow-sufferers in the world-wide depression. Exactly how any or all of these can serve toward that one necessity of finding full-time jobs rather than substitutes or fractions is another story.

Farmers Quitting Cut-Throat Competition

By BERNHARD OSTROLENK

Author of "The Future of the American Farmer"

RECENT announcements from the Federal Farm Board indicate that less stress is to be laid in the future on stabilization programs, but that the work of promoting cooperative marketing is to continue unabated and will be emphasized to the limit of the law. As attempts to stabilize prices have been the spectacular feature of the Farm Board's program, the failure to check the downward course of farm prices has been accepted as an indication that the board has not succeeded in its primary function. There is room for argument here. Spokesmen for the board contend that, at least in the more recent price stabilization activities with the 1930 wheat crop, the board maintained prices above the world level and staved off what they considered a major national economic catastrophe.

Late in November, 1930, when wheat prices began to drop from 80 cents a bushel because of indications of another record Argentine crop, and the Canadian wheat pool, showing every sign of financial difficulty, called on the Canadian Government to guarantee the pool's bank loans in order to prevent further forced liquidation, and prices of wheat in Winnipeg went to 55 cents, the Farm Board actively and directly stepped into the market, purchasing spots and futures in sufficient volume to stabilize domestic prices at about 81 cents on a basis of May delivery. The downward movement of wheat prices dur-

ing November was accompanied by an extraordinary number of bank failures, precipitated by the fact that bank loans to farmers had been predicated on \$1 wheat. When prices fell these loans became frozen and thus contributed to an already dangerous banking position. The board has argued that by preventing the price drop to less than 60 cents, additional wholesale bank failures were avoided and the country was saved from the consequences of a major bank débâcle.

There is much to be said in support of this contention. Bankers no doubt were unduly encouraged to make these higher loans on wheat because of the previous activities of the Farm Board which had established loan values of \$1.20 a bushel; as a result bank loans based on a \$1 selling price seemed conservative. It is probable, however, that such prices would have appeared a conservative loan basis without the \$1.20 loans made by the Farm Board in the early months of 1930. In any event, the stabilization activities at this time seemed genuine relief in an emergency. The board has maintained that it would have been the subject of just criticism if, in such an emergency, the Federal Farm Board, specially created to act in such a case and with ample power and money, should have remained aloof or become conservative with government funds.

Because of the price differential established between domestic and foreign prices by the constant purchases

of the Farm Board, virtually all exports stopped and wheat not going directly into consuming channels now flowed steadily into the granaries of the Farm Board. Between November and May 31, 1931, all owners of wheat could sell to the Farm Board for 20 to 35 cents above world prices for wheat in similar positions. By the end of May the Farm Board had purchased about 220,000,000 bushels and had in its possession the major portion of the estimated 350,000,000-bushel carryover. Prices dropped sharply after the Farm Board had retired from the market at the end of May and by the middle of June wheat, which two weeks earlier had been selling for 81 cents, was quoted at about 66 cents.

This operation, like other stabilization efforts of the Farm Board, has involved the government in heavy losses, but the board argues that the savings to the nation have been incalculable since new widespread financial disasters have been prevented. The board apparently does not propose to re-enter the field of price stabilization, but to concentrate its future activities on cooperative marketing.

Agricultural cooperation in its final form would lead to monopolistic control of farm products in a marketing group and thereby to monopolistic prices. No important farm commodity, however, has yet been brought under monopolistic marketing control, and so far only some farmers in a few localities have pooled their efforts in marketing their products.

The cooperative elevator, for example, is not new. It usually has been created in a community where a few farmers have a grievance against the existing elevator. Funds are subscribed for the building of their own elevator, a manager is appointed to sell their grain in the nearest central market and to return the net profits to the farmers. The private elevator buys the grain from the farmer at the lowest price and retains the difference between the selling price and buying

price. The introduction of the farmers' cooperative elevator brings no new economies into wheat marketing; it merely takes some profits from private elevator operators, if these have been excessive, and adds them to the farmers' proceeds, that is if the cooperative elevator is operated economically. The organization of a cooperative elevator, of course, has no effect on prices in the central markets; the only economy is in marketing. The cooperative elevator deals in the central markets with private agencies buying wheat in competition with other cooperatives or with privately owned elevators. It is not uncommon to find two cooperative elevators in the same community bidding for farm patronage. In a few instances cooperative elevators have pooled selling in the central markets and at one time ambitious regional cooperative pools operated throughout the Northwest. Before the setting up of the Farm Board the collective activity in farm commodity marketing was local and without effect upon prices in the central and seaboard markets.

The Farm Board desires the farmers to unite into regional or local cooperatives, which in turn are to join national cooperatives. The American Cotton Growers Exchange is an institution that admirably illustrates the kind of organization the Farm Board hopes to effect. A cooperative of cooperatives, it is the clearing house and central selling agency of some thirteen State cooperatives. To be sure, thus far it does not include many cotton farmers in the South, since altogether these thirteen cooperatives, with some three additional cooperatives independent of the exchange, control only 8 per cent of the crop; nevertheless a skeleton organization has been formed of the type the Farm Board hopes to establish for other agricultural commodities.

The attempt to organize such nation-wide commodity cooperatives is by no means new. The best success

has thus far been scored by cooperatives dealing with geographically restricted commodities. California walnut marketing has been successfully centralized and though acreage has expanded unduly because of the prosperity of the walnut growers, the market has expanded sufficiently to absorb the increased production. The Burley Tobacco Growers' Association is another instance of a geographically restricted crop that during a brief period of existence was able to dictate prices as a result of the monopoly control which it enjoyed. The prosperity of its members brought overproduction, which in turn contributed largely to the collapse of the organization.

In some cases geographically restricted markets aided in giving the cooperatives control of their product. The Dairymen's League of New York is a case in point. Because of the important control of the milk market in New York City and in several important cities included in the so-called "milk shed," it has been able to organize the milk producers into an effective unit. It markets annually some \$85,000,000 worth of dairy products, has assets in various plants amounting to \$14,000,000 and a membership of 42,000. While the Dairymen's League is itself the central organization of some 800 cooperative units, it has frowned on all efforts of other cooperatives, say from Pennsylvania or Illinois, to enter its territory, or on any proposal to merge with them.

But these restricted cooperatives, while numerous, affect only minor commodities and relatively few farmers. Cotton is a geographically restricted crop, and if its marketing activities could be integrated it would represent an achievement affecting 2,500,000 farmers. The American Cotton Growers' Exchange, while the most recent mechanism for marketing cotton cooperatively, is by no means the first effort. As early as 1872 the Alabama State Grange es-

tablished selling agencies in New York and Liverpool. The decline of the Grange movement was partly responsible for the discontinuance of these efforts. The Farmers' Alliance in 1884, in conjunction with other agencies, started a movement for cooperation, with the slogan, "Increased prices through acreage restriction and holding of crops." Beyond the publicity accompanying the campaign, the alliance had no effect on acreage or prices.

Then, in 1906, the Farmers' Union started a campaign for cooperation in order to secure better cotton prices for the farmer. Its plan included "restriction of production, establishment of cooperative warehouses, fixing minimum prices and diversified farming." It succeeded in establishing what turned out to be some 1,600 private warehouses; otherwise the effort proved sterile. In 1920, with the collapse of war prices for cotton, an organization known as the American Cotton Growers' Association was established through the cooperation of big planters, bankers, warehousemen and others interested in the South. The program was "acreage reduction." Remarkable success was achieved in the first year, 1921, when cotton acreage fell from 35,000,000 to 30,000,000 acres, but the farmers were unable to resist the temptation of the higher prices resulting from this restriction, and subsequent increases in acreage were so large that various efforts of the association to retrieve the situation failed. Acreage rose sharply from 30,000,000 to 37,000,000 acres and by 1929, it was estimated, 49,000,000 acres.

After the failure of the association, Aaron Sapiro, who had been responsible for the organization of many of America's foremost commodity cooperatives, entered the field. He organized thirteen cooperatives, covering the Southern States and united them in the American Cotton Growers Exchange. Each of the State coopera-

tives is subdivided into districts, numbering from six to twenty. The farmer who joins the district cooperative signs a contract pledging the delivery of all his cotton to the cooperative and giving his permission to store, sell or borrow on his bales. As a matter of fact, the Federal Trade Commission found in 1925 that 25 to 50 per cent of the crops of members was being diverted to other channels "due to unfriendly non-member landlords—time-merchants and lien holders." For this reason the 300,000 members of the various cooperatives—at least a small proportion of the total number of cotton producers—were not whole-hearted in their support of cooperatives. Moreover, the agreements of the State cooperatives with the exchange permitted the State cooperatives to market their cotton through the exchange, but did not compel them to do so, and the exchange was not even in complete control of the portion of the crop that came into the hands of the cooperatives. While the present skeleton organization for marketing cotton through the American Cotton Cooperative Association is by far the largest and most far-reaching type of cotton cooperative that has ever been attempted, the results up to date are not impressive and still leave the herculean task of getting 90 per cent of the non-member cotton producers into the cooperatives. Unless and until the cooperatives control between 60 to 80 per cent of the crop, they are not likely to exercise any important control over prices.

The situation is still more difficult and infinitely more complex with commodities which are not geographically restricted. The Farm Board has initiated, for instance, the Farmers National Grain Corporation which is in line with historical evolution in the grain trade. The revolt of farmers against domination of local elevators started in the Northwest early in the '80s. Today, out of a total of 9,395 elevators, 1,831 or 19.5 per cent, are

cooperative elevators. Some attempts have been made to unite these individual local cooperative elevators—at least along one railroad line—into a unified system with terminal facilities for handling grain. The most important of the earlier organizations was the Equity Cooperative Exchange of St. Paul which was organized purely as a cooperative line elevator with terminal warehouses and selling facilities at St. Paul. From 1911 to 1922 it sustained the enmity of all sections of the non-farming community. The Minneapolis Chamber of Commerce passed regulations forbidding members to sell the grain of the exchange; railroads placed obstacles in the way of shipping grain; and commercial credit was stifled through the active hostility of banks.

As a weapon in the fight for the economic life of the cooperative, the farmers were forced to organize politically. The Non-Partisan League, the result of this agrarian organization, at one time dominated politics in the Northwest, and even today has political representation at Washington. Although the Equity went into receivership in 1922, it had started a movement which broke forth in such organizations as the Farmers' Cooperative Commission Company, the Equity Union Grain Company and the wheat pools of the Northwest.

None of these consolidated organizations, however, had any effective means of centralizing control of the entire crop. The local cooperative elevators sold their wheat on the open market as did the private elevators. Early in 1920 a movement was inaugurated to unite all existing cooperative grain marketing associations into the American Wheat Growers, Associated. Marketing operations, which were started in 1923, included at one time nine State associations. Internal dissension and differences as to marketing principles caused the members gradually to leave the central organization until it was only a ghost of its former self. Simulta-

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neously the United States Grain Growers, Inc., was launched as an organization composed of a number of State and regional cooperatives. At the end of a year it was insolvent. In 1924 the Grain Marketing Company was incorporated with a capitalization of \$26,000,000 to be raised by selling stock to farmers. The funds were to purchase a number of existing elevator and grain-handling corporations, including the Armour Grain Company, Rosenbaum Grain Corporation, David-Nolan Merrill Grain Company and others. But the farmers were disinterested and because of inability to sell sufficient stock the company dissolved, its property reverting to the original owners.

Through the organization of the Farmers National Grain Corporation, a central selling agency for the cooperatives, the Farm Board proposes to continue to organize the local cooperatives into national bodies that will control selling. For this purpose its funds are being used in loans for erection of warehouses and other facilities to enable the cooperatives to compete successfully with private agencies. The local cooperative, also, may depend on loans from the Farm Board for commodities in its warehouses. The loans are expected to force the local cooperatives to join the central organizations. The local cooperatives, for personal or local reasons, did not join the central marketing organizations created by the Farm Board immediately, but continued to market their commodities through private agencies. Gradually the need for loans, which were available only through the central cooperative, forced considerable integration. The success already achieved must not be underestimated. Important commodities to a large extent are flowing now through cooperative channels and in virtually all commodities facilities for cooperative marketing exist.

The movement promises to affect many people who formerly provided

marketing facilities for farm commodities. Aided by government funds, the cooperatives are competing with private marketing agencies which frequently have large investments in shipping equipment. If the program of the Farm Board succeeds, it means the eventual elimination of the private group from the marketing field, an elimination that will involve heavy losses without compensation.

On the other hand, while the cooperative movement has as yet brought about no monopolistic control and hence no monopoly prices, it has already achieved considerable savings to the farmer. In the case of California citrus growers, a reasonably stable price has been maintained in the face of increasing production. The California Fruit Exchange, which controls some 85 per cent of the citrus fruit produced in California, has been able to extend its markets, design new fruit drinks, expand its export market, compete successfully with the glutted markets created by the chaotic shipments from the unorganized Florida markets, and on the whole has insured considerable prosperity for the California growers. The process has made available ample fruit of excellent quality and variety at low cost to an increasing section of the public. Even if the Florida growers should organize a cooperative which with the California cooperative could monopolize the market, the growers would probably want to secure large consumption with moderate prices rather than check consumption through higher prices.

In short, the Farm Board's program to continue the development of cooperative marketing is a long-time program for agricultural relief. It embodies elements that may bring about greater prosperity for the farmer, that will render obsolete much of the present private marketing facilities but that need not necessarily bring about the evils of monopolistic price control.

Negro Self-Government At a Crisis in Liberia

By RENNIE SMITH

Member of the British Parliament

[Under the title "Is Liberia a Slave State?" the *New York Evening Post* recently published a series of articles (from June 29 to July 4) by George S. Schuyler, an American Negro journalist whom that newspaper sent to Liberia. He spent ten weeks traveling through the entire republic, and the results of his investigation corroborate the substance of the article by Rennie Smith printed below. Hope for improvement, however, is expressed in a letter from Dr. Howard W. Oxley, Educational Adviser of the Advisory Committee on Education in Liberia, to the Secretary of the Phelps-Stokes Fund in New York, under date of May 28. Dr. Oxley reports that President Barclay, the new Chief Executive of Liberia, is "an able man, who is going to profit by the mistakes of his predecessor." Dr. Oxley has submitted to President Barclay a plan for a national scheme of education, to be acted upon by the next Legislature, and is already seeking professionally trained teachers, including three American county superintendents of schools, with experience in agriculture].

THE commission of the League of Nations which conducted an inquiry in Liberia has drawn public attention to that Negro republic, the only one in the world apart from Haiti. It is this absence of dominion by the white race and even of white administrators which gives Liberia a special interest in the evolution of Africa and of the Negro race.

A country with an area of 45,000 square miles has scattered over its forested and tropical face a population of approximately 2,000,000. Small though this number is, and although the settlement which led to the estab-

lishment of the republic dates back 110 years, no thorough-going anthropological survey has ever been made. Some excellent researches of a limited character have been made through American organizations. The 50,000 or 60,000 people living along the 350 miles of coast are, of course, fairly well known. Among them are some 15,000 Americo-Liberians who have come since the middle of last century as liberated Negroes from the United States. They have been the leaders of the coastal population and in a real sense of the republic, carrying the main responsibilities for the development of the large but still comparatively little known hinterland.

As in the rest of Africa, the native inhabitants live in small village settlements dotted about in what is often almost impenetrable forest jungle. Seven or eight clearly marked tribes are known; two of these have attained a high level of development and intelligence. The Vai have to their credit an alphabet and a written language of their own which has developed independently of any European influence, while the Kru people, a tribe which occupies the central part of the coast region, have attracted universal attention by their physical strength and their skill as boatmen. They have been drawn into service for the manning of the ships of more than one European nation. I saw recently photographs of a man and a woman, students deriving from the Kru tribe,

both of whom had taken their degrees in American universities.

These native tribes are capable of agriculture in their village system. They grow rice, corn, potatoes, cotton and tobacco among other crops, while most of the villages have handicrafts. The working of iron, leather, silver, the making of baskets and pottery, the weaving and dyeing of cloth are all craft occupations to be found among them. They are familiar with the rearing of domestic animals, including cattle, sheep and goats and sometimes pigs and chickens.

The American Negroes who have done so much to give Liberia its present character and who established the new State with the proud motto, "The love of liberty brought us here," have made a specialty of politics in the narrowest sense. On paper at least they have provided Liberia with a Constitution which, if imitation of a great model, the United States Constitution, is to be the test, leaves nothing to be desired. There is a House of Representatives with twenty-one members, elected every four years, doing its work through thirty-six committees; a Senate which is elected for six years, and above these a President, who exercises great powers, with a Cabinet of seven members and with a control of such native newspapers as exist.

There was a time when store was set upon business pursuits by the incoming American Negroes. Increasingly, however, every leading Americo-Liberian seeks to be a politician, a lawyer or an officeholder of some kind until 90 per cent of the government receipts are consumed in salaries, and this represents but a fraction of the moneys and payments in kind which are extracted from the taxpayers. The public finances, if one may dignify the account-keeping of Liberia by such an expression, are in European eyes a cesspool of corruption. Indeed an American who recently paid a visit there has described Liberia as a people attempting to keep themselves from

starving to death. Much of their food even has to be imported from Europe and America, and this trade is very largely in Syrian and European hands. The trade per capita is much the lowest among the territories on the African Continent, and small as it is, Germany, which occupied a leading place in the Liberian foreign trade by 1914, was again leading all other nations in the matter of imports and exports by 1925.

In their complete devotion to politics the Americo-Liberians have completely failed to recognize the importance of agriculture, industry and commerce in the development of the country. The greatest economic movements of the nineteenth and twentieth centuries have left Liberia largely untouched except for the enterprise of the Firestone Rubber Company which, of course, is American and developed under white leadership. Highways, railroads, telegraphs and telephones and many other activities now well under way in every African colony are still practically unknown in Liberia. Public health administration is equally neglected, and this neglect constitutes a great danger even to the perpetuation of the native population.

In this general neglect of economic development it follows that the education of the native, upon which in the long run all else depends, has made little or no headway. There has been a Liberian College since 1863, but its presidents have been more interested in politics than in education. The training has been exclusively literary; little more than English-speaking parrots have been produced. A government Bureau of Education was established in 1900, and since 1912 there has been nominally a Department of Public Instruction. Liberia enjoys the reputation of being the first part of Africa to introduce compulsory education by law—on paper; in fact the 9,000 or so children, who are receiving the worst kind of education, are getting it mainly through the schools of the various

missionary organizations. In the fifty-five government schools there were in 1924 less than 2,000 children. Their schooling was restricted to three grades, and it is doubtful if it can be dignified by the word education.

The recent International Commission of Inquiry, proposed by the Liberian Government itself, has disclosed some of the conditions in the republic. It is worth while to quote the dispatch of the American State Department of June 8, 1929, to the Secretary of State of Liberia:

I am directed by the Secretary of State to advise your Excellency that there have come to the attention of the Government of the United States from several sources reports bearing reliable evidence of authenticity which definitely indicate that existing conditions incident to the so-called "export" of labor from Liberia to Fernando Po have resulted in the development of a system which seems hardly distinguishable from organized slave trade, and that in the enforcement of this system the services of the Liberian Frontier Force and the services and influence of certain high government officials are constantly and systematically used.

To this the Republic of Liberia responded:

With regard to the specific allegations which have been made, I deem it my duty to record my government's solemn and categorical denial of the existence in the republic of such labor conditions as would justify the characterization which has been applied to these conditions in your dispatch, and to declare that the government of the republic will have no objection to this question being investigated on the spot by a competent, impartial and unprejudiced commission.

The American member on the commission which thus came to be appointed by the League of Nations was Dr. Charles S. Johnson of Fisk University, a representative of the Negro race, whose book, *The Negro in American Civilization*, is in many ways the best which has yet been written on that subject. The commission was empowered to ascertain:

1. Whether slavery as defined in the Anti-Slavery Convention in fact exists in the republic.

2. Whether this system is participated in or encouraged by the government of the republic.
3. Whether and what leading citizens of the country participate therein.
4. To what extent compulsory labor exists as a factor in the social and industrial economy of the State, either for public or private purposes, and if it does exist, in what manner it has been recruited and employed, whether for public or private purposes.
5. Whether shipment of contract laborers to Fernando Po under the terms of arrangement with Spain, or shipment of such laborers to the Congo or any other foreign parts, is associated with slavery, and whether the method employed in recruiting such laborers carries any compulsion.
6. Whether the labor employed for private purposes on privately owned or leased plantations is recruited by voluntary enlistments or is forcibly impressed for this service by the Liberian Government or by its authority.
7. Whether the Liberian Government has at any time given sanction or approval to the recruiting of labor with the aid and assistance of the Liberian Frontier Force or other persons holding official positions or in government employ, or private individuals have been implicated in such recruiting with or without the government's approval.

The findings were devastating. Intertribal domestic slavery was found to exist along with pawning, which is recognized in the social economy of the republic. Pawning is an arrangement by which in return for money a human being, usually a child relative, may be given in servitude for an indefinite period without compensation to the person held, and without privilege. I quote two of the large number of examples given by the commissioners under this head:

Jadgua, a headman from Kanga, living near Royesville, fined \$80 for road delinquencies, pawned his wife and child for \$35 to one Kankawah. They have been in pawn five years without prospect of redemption.

In Bassa County there were frequent citations of pawning, one notable example of which was an abuse of the system for profit involving civilized persons in the following manner: A man will take a number of women in pawn and place them at work on his farm. They,

in turn, are encouraged to entice young men into intimate relations with them and the young men are immediately seized, fined, and made to work out the amount of the fine on the farm.

The commissioners found that contract laborers have been shipped from Liberia under conditions of criminal compulsion scarcely distinguishable from slave raiding and slave trading. They found gross misuse of labor in public and private employment in Liberia on the authority of high government officials. Responsible officers have given their sanction to the activities of the Liberian Frontier Force, which has used its powers for the purposes of physical compulsion on road construction, for the intimidation of villages, for the humiliation and degradation of chiefs, for the imprisonment of inhabitants and for the conveying of gangs of captured natives to the coast, there guarding them till the time of shipment. A quotation from the cautious and conservative findings of the commissioners will indicate the degradation which has been prevalent in the hinterland:

The once fairly populous town (Soloken) now has a total of 651 inhabitants with 30 per cent more females than males. That is, for every 100 males there are 130 females, and for the active ages, 20-40, there were 150 females for every 100 males. Most important, it seems, of the families remaining there, ninety-one of their men and boys had either died at Fernando Po or for some other reason failed to return or communicate with the tribe. Of those who returned two were ill and one insane. The town Kordor, which is about two hours' walk from Soloken, was visited and photographed. Forty-one huts were inhabited at the time of the Fernando Po demands. All are deserted now, the town site overgrown with weeds and tough vines, the thatched roofs and mud-covered sides crumbling in. It is a scene of desolation. The site of the town of Jalatah was also visited and photographed. All that remains to identify it is a breadfruit tree. The houses have been torn down and during the past five years the site has been used as a rice farm. The Wedabo people, however, have been compelled to pay \$300 annually as taxes upon the huts that formerly stood there,

and still are required to pay these hut taxes.

The publication of the report was followed by the resignation of the President, the Vice President and a number of high government officials of the republic. The concluding words of the commissioners indicate the extreme gravity of the situation:

The commission cannot too strongly express its conviction that, as regards most officials, mere advice to greater efficiency and honesty will not be sufficient. The tolerance given to gross dishonesty in office, the general ignorance of the interior and its people; the lack of means of education in the provinces and its total absence in the hinterland, except where a few missionaries are installed; the powerful influence of family connections between the executive officers of the government, few of whom have ever left the country, and the general insularity of outlook render futile any hope of improvement in present conditions without the introduction of outside specialist assistance, the reduction of superfluous offices and other drastic internal provisions.

It is now realized by the British, American and League authorities that disinterested and responsible foreign assistance is absolutely necessary if any practical improvement is to be effected in the social condition of the oppressed natives. The recommendations of the commission itself are drastic, as the conditions warrant. They include:

- The policy of the "open door";
- Extension of education to all alike;
- Native policy to be radically reconstructed;
- Barrier between civilized and uncivilized to be broken;
- Policy of suppression to be abandoned;
- Humiliation and degradation of chiefs to cease;
- Re-establishment of tribal authority of chiefs;
- Complete reorganization of administration of the interior;
- Removal of present District Commissioners;
- Substitution of European or American commissioners with assistant commissioners;
- Institution of some form of civil service;
- Rearrangement of the political divisions of the country;
- Pawning and domestic slavery to be

made illegal as preliminary to total abolition;
Shipment of laborers to Fernando Po to cease;
Road program to be curtailed;
Much stricter control of the Frontier Force soldiers;
Reconsideration of duties of Frontier Force soldiers;
American immigration to be encouraged.

The experts who, following the report, are visiting Liberia with a view to further action have plenty of work before them. The present condition of Liberia suggests certain grave reflections. We can be nothing but glad that the government of Liberia has encouraged this frank international inquiry and that the inquiry has been conducted by the League of Nations with Liberia as a member State of the League. This fact in itself illustrates the growing authority of international public opinion, as expressing itself through the mandatory system, in seeking to promote the welfare of backward races in all parts of the world and in putting into practice the sacred principle of trusteeship. The American nation has cooperated through one of its most distinguished Negro citizens in this work of inquiry and is officially eager to see that these inquiries become the basis of a real work of reconstruction in the Republic of Liberia. Liberia is the only Negro republic in the great Continent of Africa; in this lies its uniqueness. It has been largely free from the domination of the white man. It has the unique opportunity of furnishing an example in history of what Negroes sharing the advantages of American civilization in their own persons can do in cooperation with native African tribes under the guidance, as they say

themselves, of the "love of liberty." In their isolation from the white race, and it may be resting upon well-justified fears of the white race, the Americo-Liberians have practiced a policy of exclusiveness which has brought Liberia to the verge of disaster. Their negative policy in economic and commercial development, their shabby neglect of public health and educational institutions, and their cruelly brutal, wasteful and ignorant treatment of the natives of the hinterland, condemn them before the judgment bar of the public opinion of the world. The Americo-Liberians, in the light of African history, would do well to continue to exercise the greatest care against white exploitation, but there are at least in the United States vast sources of good-will which can be tapped for the reconstruction of the national life of Liberia.

In a real sense the Negro race in Liberia is on trial before the world. The Americo-Liberians have developed in the past generation an intense racial nationalism. They have been taking too narrow a view of the responsibilities which are bound up with the building of a great Negro republic. They have large and generous elements of good-will and cooperation to draw upon from many member States of the League of Nations, for there are men and women of good-will in all white countries who desire nothing more earnestly than that Liberia, under Negro leadership, should provide a magnificent example of what another race can do in our common civilization. The low-water mark registered in this commission's report may prove the spur to something in the nature of a peaceful revolution in the reconstruction in Liberia.

Remedies for Unemployment

By ALBERT BUSHNELL HART
Professor Emeritus, Harvard University

THE Lord's Prayer of the workman for years has been, "Give us this day our daily job," for that includes the two elements of happiness and hope for the day laborer, namely, steady work and work for the laboring man or woman past middle life. The immense increase of opportunities for labor, the development of industries previously unheard of, such as automobile building or electric welding or running automatic machines for making tin ware are examples of the sudden looming up of previously undetected jobs.

We Americans feel that our enormous population and wealth and economic influence all over the world are due to our superior genius for inventing machines and organizing labor and creating a vast financial system for carrying on enterprises. Consider what an economic paradise is ours. We are still rich in undeveloped resources. Coal and iron and oil and even some manganese are waiting to be mined. Forests are eager to be cut down. Prairie lands are still impatient to be made productive of seed crops. Never have there been such opportunities for labor, as, say, in 1928; never such savings accounts looking toward the purchase of a little house, never such perfection of farm machinery, never such a happy, well fed, comfortable, advancing, school-educated population as that of the United States.

The international economists, who, we are assured, include some of the ablest minds of the present human

race, furnish a variety of reasons for expecting prosperity. The newspaper press front-pages better times; and the New York *World* collapses; the great foreign steamer lines become bankrupt. Even the automobile business, which has been creating so much wealth by greatly enlarging the opportunities of spending one's savings, has slumped.

To some untutored minds the suggestion occurs that the automobile, with what the automobile connotes, is one of the great absorbers of capital. We are committed to gasoline and automatic machinery, but it does seem as though the country spends a vast amount of money in going nowhere in particular and coming back by moonlight. The really cruel and wicked thing about the present continued hard times is that never was there such an immense amount of money to be wasted. Our fathers thought it was a magnificent job a few generations ago when they cleaned up the Louisiana State lottery, and made it against the laws of the United States to deliver mail or express matter enclosing money intended to buy lottery tickets. Yet nowadays the United States is as full of lotteries as Cuba and Argentina. Not good faith lotteries, but lotteries founded on falsification and made profitable by systematic plundering. From the crank consumer of nickels in the back room of a drug store to the alleged guesses as to the score of baseball games, we are permitting and participating in a systematic, or-

ganized, absolutely corrupt and thieving system of betting on chances, which is substantially playing the lottery.

The opponents of the prohibition laws insist that more money is spent on alcoholic liquors than under the open system. For that the obvious remedy seems to be drinking less. But if prohibition should be repealed, somebody must still support the liquor trade by taxes and high prices and diminished efficiency. It seems to be considered unpatriotic to point out that with or without prohibition, the liquor bill is one of the heaviest charges on the American people and to that extent diminishes the demand for perishable goods the manufacture of which would keep people employed.

Almost as serious as the commercial crisis is the lack of skill anywhere to attempt to eliminate unemployment by providing some kind of work. There is no lack of food in the United States, taking it all together, and almost the whole population is kept from perishing by starvation; but the net result must be that the lame and the lazy, who are traditionally always provided for, must be fed and clothed and given shelter at somebody's expense. The American system of government is so complicated and so affected by the need of conciliating different States and different sections that it is hard to provide a system even in such a crisis by which the States and the nation can both do their duty.

President Hoover is very much against any system of relief that may involve continuance of relief after general conditions improve. Nevertheless, there are public and private jobs that involve employing labor on self-respecting terms, jobs which have been neglected in times of prosperity. The United States of America with all its wealth is a dirty country measured by the standards of most European countries. Slums in most of our great cities include lodging houses which, principally because of a failure to enforce the law, are foci of misery, suf-

fering, disease and death. Here is an opportunity to employ labor on a large scale, much of it unskilled, simply in a physical house cleaning of our cities. Americans are an intensely untidy people, as witness our tincanyonvilles, our back alleys and the foul and poisonous lodging houses. All those things exist contrary to law and could be altered by a moderate expenditure of labor which passionately desires employment.

Among the worst offenders in this competition in dirt and disorder are the railroads. The Boston & Albany was once attacked for spending the stockholders' money on keeping their stations and their roadway clean. Few American railroads have a sense of responsibility in this respect. Take for instance the Pennsylvania as it comes into Pittsburgh. It owns all the land to the top of the cuts, but those slopes are littered from top to bottom with tin cans and the débris of a city. Here is a first class opportunity for finding productive employment for the unemployed, the only difficulty being that such a stretch as the right of way of the Pennsylvania road in Pittsburgh could be put in order by a hundred able-bodied men in a week. A nation-wide effort to clean up all the railroads from end to end might conceivably employ a hundred thousand men for half a year.

Of course we expect that, as in all previous experiences of this kind, business will again be "normal" after the elimination of thousands of wrecked or abandoned enterprises. Yet it seems as though nothing could again be normal in our generation. Who is going to normalize China or Turkey or Russia or the South American republics? Who is going to normalize Tammany or the Negro district in Chicago or the divorce mill region of Nevada? Where are the experts in building and government who can organize the present unemployed to keep the land clean on the surface and the national, State and local governments clean in the minds of men?

Current History in Cartoons



A STUDY IN LEADERSHIP

—Boston Herald



A NEW RHINE VALLEY
—St. Louis Star



THE YANKS ARE COMING!
—Dallas Morning News



LIGHT

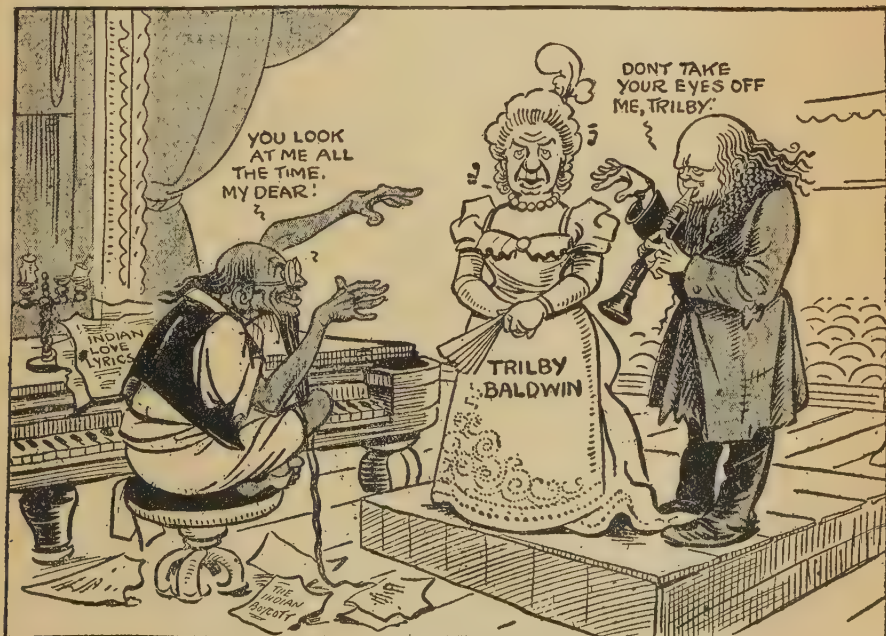
—Brooklyn Daily Eagle



DR. JEKYLL AND MR. HYDE
—Boston Herald



SOVIET PARADISE: THE IDOL
—Kladderadatsch, Berlin



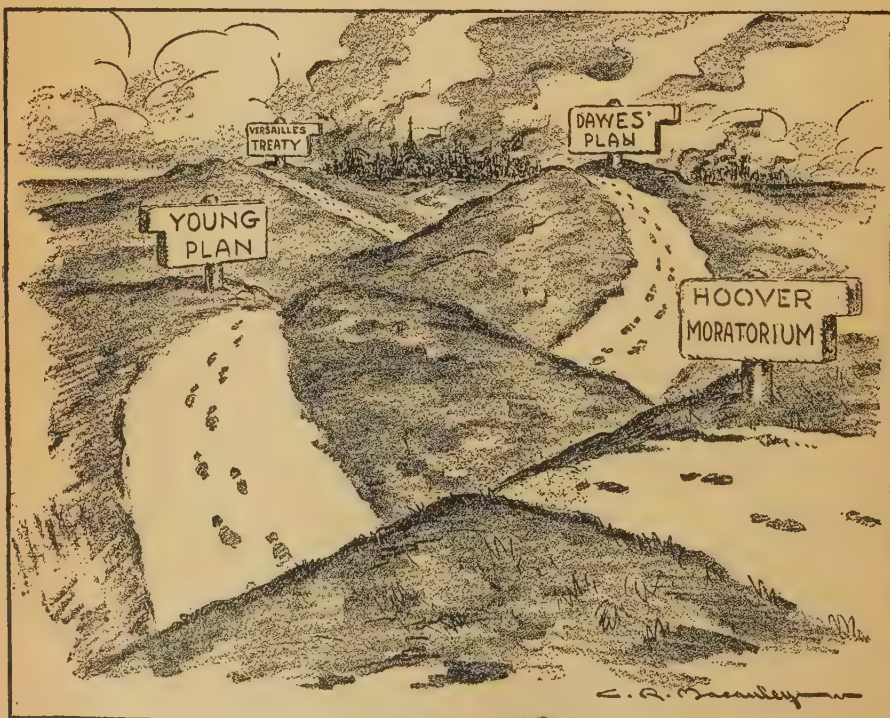
SVENGANDHI
(Suggested by the new film *Svengali*, based on the novel *Trilby*)
—Daily Express, London



THE EGG DANCER
—Boston Herald



SPAIN BARS TROTSKY
Vulture: "I can wait"
—Kladderadatsch, Berlin



"THE ROAD BACK"

—Brooklyn Daily Eagle

A Month's World History

International Debt Moratorium

THE German financial crisis which the Hoover plan had been intended to alleviate entered a new phase when on July 9, Dr. Hans Luther, President of the Reichsbank, flew from Berlin to London to talk with Montagu Norman, Governor of the Bank of England, about a long term credit loan to extricate the Reichsbank from the difficulties which had been caused by a continued raid upon its reserves. That night Dr. Luther journeyed to Paris to talk over the same problem with Governor Clément Moret of the Bank of France. This action called the attention of the world to the critical situation of German finances and caused a spread of uneasiness throughout the Reich which added further difficulties.

By JAMES THAYER GEROULD
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war debts. (For details of the negotiations for the suspension of war debts see pages 641-645 of this issue.)

The Hoover plan for suspension of war debts went into effect on July 10, so far as Great Britain was concerned. Reparations were due from Germany to Great Britain on July 15, but the British Treasury notified the Bank for International Settlements on July 10 that "even if the German Government were in a position to transfer this instalment, to demand it would be manifestly inconsistent with the acceptance in principle of President Hoover's proposal." On July 1 payments were due to Great Britain from France, Belgium, Italy, Poland, Rumania, Yugoslavia, Estonia and Latvia. With the exception of France all availed themselves of a previous British offer and omitted payments.

The economic situation of Germany is largely a result of the war and has been increasing in seriousness for many months. Early in June, 1931, the German Government issued decrees enacting several emergency measures which it was hoped would aid in preventing financial collapse and declared that Germany had reached the "limit of sacrifice." (See CURRENT HISTORY for July, pages 614-616). It was when this particular phase of the threatened German economic collapse was made apparent that President Hoover proposed a year's suspension in the payments of

There was considerable uncertainty as to whether the Hoover debt plan were in force or not. Great Britain, the United States, Germany and Italy have considered the suspension of international payments as effective after July 1. France, on the other hand, it developed after inquiries on July 10, maintained that the plan could not become effective until an agreement had been reached among the signatories of the Young plan. Meanwhile France was making the payments due by her to Great Britain and the United States, al-

though on the understanding that all payments would be refunded as soon as the Hoover plan was applied.

But apparently the Hoover plan came too late or because of the French reluctance to adhere to the proposal lost the psychological effect which would have restored confidence in Germany. The situation in Germany grew worse rather than better. The continued withdrawal of short-term credits and the export of capital from Germany drained Germany within a period of ten weeks of a sum estimated at \$500,000,000—more than enough to meet a year's reparations under the Young plan. Since September, 1930, these withdrawals amounted to approximately \$952,000,000. Much of the export of capital has been by Germans who were fearful of another period of inflation. On July 13, the Darmstaedter und Nationalbank, one of the great banks of the nation, closed its doors and the government assumed full responsibility for its orderly liquidation. Late that day the Bruening Government decreed a two-day closing of all German banks and credit institutions, together with a prohibition of all trading on the Stock Exchanges.

Dr. Luther's attempts to secure foreign aid for the Reichsbank and thus for Germany were only partially successful. Apparently his trip to London was without achievement and in Paris he was faced by impossible terms. France demanded the following political guarantees before extending credit to Germany: (1) Suspension of the building of "pocket battleships"; (2) abandonment of the proposed Austro-German customs union; (3) formal relinquishment for all time of any hope of regaining Danzig and the Polish Corridor. These terms were too severe to be considered, even in the critical position of Germany, and so the hope of French aid was abandoned. At Basle Dr. Luther was more successful when on July 13, after a twelve-hour session,

the directors of the Bank for International Settlement agreed to participate in a renewal of the \$100,000,000 rediscount credit granted the Reichsbank on June 25.

As a result of the failure to secure foreign aid, a slogan of "Germany Save Yourself" spread through the country. The government was expected to enact the following defensive measures: (1) Proclamation of a domestic and foreign moratorium for a period of from two weeks to one month; (2) specific embargoes on the export of German capital; (3) resuscitation of the rentenmark, internal currency which would be based on specific property credits instead of gold, as a complement to the reischsmark.

The crisis in Germany was felt throughout Europe. In Hungary all banks were closed on July 14 for two days by government decree, while in Austria the Mercurbank, owned in part by the Darmstaedter und Nationalbank, closed its doors on July 14. In Great Britain considerable bitterness was felt toward France, who was regarded as seeking political capital out of the situation. The British press referred to the crisis as "a moment graver for Europe than any since the war," while criticizing France as endangering the whole of Europe's financial structure by her political demands against Germany.

SECRETARY STIMSON IN ITALY

Another chapter in the sudden American participation in European affairs was the visit of Secretary of State Stimson to Italy. Although the visit was called unofficial, Secretary Stimson had conferences with Premier Mussolini and Foreign Minister Dino Grandi. Mr. Stimson's arrival in Italy coincided with an announcement from Washington that President Hoover intended to begin a vigorous campaign for world disarmament as a prelude to the Geneva conference.

The New Plan to Curb Drug Traffic

THE conference of nations meeting at Geneva to limit the manufacture of dangerous drugs to the medical and scientific needs of the world adopted a revised draft convention which began its final reading on July 9. Among its features are the following:

The British "quota" plan has been abandoned in favor of the Franco-Japanese "open market" proposal. Under the latter plan a country can manufacture narcotic drugs for domestic use and for export if an import certificate and actual order are received from the purchasing country. Up to 50 per cent of the preceding year's exports may be manufactured, on the supposition that orders will be received for that amount, any excess over actual orders received being added to the following year's available stocks.

Yearly estimates of each country's legitimate requirements are to be submitted for examination to a central supervisory body made up of one member selected respectively by each of the League's Advisory Committee on Traffic in Opium, the Permanent Central Opium Board of the League, the League's Health Committee and the Office International d'Hygiene Publique in Paris. The estimates are to be forwarded to the Secretary General of the League for transmission to all the countries. Imports by the manufacturing countries are to be limited to the total of the amount specified in the estimates for each such country, less the amount indicated in the estimates as manufactured in that country that year. The convention also includes the American delegation's proposal to limit supplies of raw material to six months' requirements or, in exceptional circumstances, to one year's requirements.

By PHILIP C. NASH

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The habit-forming drugs covered by the convention are divided into three groups—"narcotic drugs," com-

pounds from which narcotic drugs can be made and compounds not now known to science which might come under either of the two former classifications. The export of heroin, a derivative of opium, is prohibited, except on the definite request of a competent public department of a non-manufacturing government, with the drug always remaining under strict government control. As urged by the American delegation, codeine for the first time is placed on the list of dangerous drugs.

The convention was ratified on July 13 by twenty-eight States, six of which were from the group of "indispensable countries"—the United States, France, Great Britain, Germany, Japan, the Netherlands, Switzerland and Turkey—of which only four were necessary. Any disputes arising may be referred to a special arbitration body agreed upon by the disputants and then, if no agreement is reached, to the World Court.

ECONOMIC QUESTIONS.

The thirty-fifth session of the Economic Committee opened at Geneva on June 18. The committee discussed the "most-favored-nation" clause which is a part of many of the commercial treaties between countries. This clause is one of the main stumbling-blocks when nations try to find chinks in each other's tariff walls, and it is fast becoming evident that this clause must be changed before great progress can be made in tariff reduction.

One delegation of the committee met with a delegation of the International Federation of Miners to discuss what can be done to improve conditions in the coal industry.

It was decided to postpone the conference to consider bringing into effect the commercial treaty of March, 1930, in other words, the tariff truce treaty. France's recent ratification of this treaty makes it seem possible that it could be brought into effect, but the conversations that Great Britain is having with several countries in an attempt to lower tariffs by bilateral agreement, and the recent action of President Hoover in bringing about a debt moratorium, make the experts feel that a little delay just now may be helpful in the long run.

An important step was taken by the subcommittee under Emile Francqui of Belgium in formulating a plan for a Pan-European industrial rediscount bank, the functions of which would be somewhat similar to those of our Federal Reserve system. A capital of \$100,000,000 is suggested for this bank, which would be capable of rediscounting \$400,000,000 long-term credits.

The problem of marketing future crops of cereals was studied by the committee established for this purpose by the Pan-European Commission, in sessions beginning on June 25. A report from the London conference on wheat was heard and a memorandum from the wheat-exporting countries was considered. Discussion centred on the principle of preferential tariffs and other measures for alleviating the agricultural crisis. According to the committee's decision on June 27, the marketing of future grain surpluses will be on a basis of bilateral agreements for preferential tariffs, worked out between the various countries and submitted to the committee for examination before they are signed. This method is already being put into practice by several countries, notably France, Yugoslavia, Germany, Rumania and Hungary.

In these days when the whole world is seeking a "plan" by which economic crises can be avoided, the suggestion has repeatedly been made that each

country should have a national advisory economic council to map out the requirements and possibilities of production, and then that there should be an international group to coordinate these plans for the whole world. It has remained for Sir Arthur Salter, formerly director of the Economic and Financial Section of the League, to make a report, at the invitation of the Indian Government, as to the technique for setting up such a council, based on the experience of the League and of other nations. The report is significant not only in its detailed suggestions for India but also because it would equally well apply to other countries—the United States, for instance. Sir Arthur recommends a central council of about fifty persons representing (a) agriculturists, bankers, manufacturers, consumers and others; (b) provincial councils and Indian States; (c) national bodies such as the Indian Cotton Committee and the Tariff Board. Ministers might attend meetings but not vote. The recommendations of the council should be put into effect by those who will hold office under the new Constitution. In order that the central council shall be in close touch with the economic conditions of the world as a whole, it is recommended that the president of the council, a full-time official, should also be a member of the League Economic Committee, and that there should be close cooperation between the secretariat of the council and the Economic Section of the League Secretariat.

BUDGET OF THE LEAGUE

The budget of the League of Nations for 1932 amounts to \$7,000,000, an increase of nearly \$1,000,000 over last year, principally because of two factors, the coming disarmament conference and special help that is to be given to China. China, however, is making arrangements to pay her back dues to the League, a total of about \$1,000,000. The League budget for

1932 is divided approximately as follows: Running expenses of the Secretariat and League proper, \$4,000,000; International Labor Organization, \$2,000,000; World Court, \$600,000; the new buildings, \$300,000; reserve for pensions, \$200,000; Nansen International Office for Refugees, \$60,000. This last item is simply the overhead expense of the office. An appeal to the public for the Nansen Fund has been sent out, signed by Cecil Briand, Henderson and the other League leaders. Max Huber, the new president of the Hansen office, was recently in the United States explaining that it will be another ten years before this refugee work can be finished and that, in the meantime, financial help is needed to find jobs for the 170,000 refugees still unemployed.

DISARMAMENT CONFERENCE

Two of the countries, the United States and the Soviet Union, both non-League members, have sent into the League their figures on armaments to be used with those of the other nations as a basis for inserting the actual figures in the draft convention which will form the starting point of the disarmament conference when it meets next February. The United States set an excellent example by making its figures public. Moreover, there seemed to be a hint in its accompanying note that the United States might revise its attitude on budgetary limitation, which this government has consistently opposed heretofore. The other nations believe that not only is direct limitation of men and material necessary, but also limitation of expense.

The Permanent Mandates Commission met on June 9 to listen to the annual reports of affairs in the mandated areas of New Guinea, Syria, Southwest Africa, Palestine and Iraq. The Commission asked searching questions of all the mandatory powers on

such matters as health, forced labor and taxes.

Several important ratifications of League conventions have been made during the month. France has ratified the convention for executing foreign arbitral awards, Greece that on counterfeiting currency, India on economic statistics, Australia the general act for the pacific settlement of disputes, Denmark the convention for financial assistance to a country attacked by an aggressor nation and Rumania the optional clause of the World Court Statute, providing for compulsory jurisdiction of the court over disputes. Thirty-six States are now bound to accept the compulsory jurisdiction of the court.

On July 4 a report characterized by one American woman as "woman's declaration of independence" was agreed upon by a group of feminist leaders of the world meeting at Geneva to register opposition to The Hague nationality convention. This report, which was drafted principally by Miss Alice Paul, an American, with the advice of Professor Manley O. Hudson of the Harvard Law School, contains three main principles, namely, that a woman's nationality shall not be changed only because of marriage or because her husband's nationality might be changed; that women, though married, have the right to keep their nationalities or change them as they wish, and that a woman's nationality shall not be changed without her consent, except in the same circumstances which change a man's nationality without his consent.

INTERNATIONAL LABOR ORGANIZATION

The 1931 International Labor Conference closed its sessions on June 18. The conference elected Brazil and Denmark to replace Argentina and Sweden on the governing board and

approved a convention setting seven and three-quarter hours as the standard working day in coal mines. Most of the session was taken up with discussions of unemployment and the economic depression. One German expert has listed 235 causes of the depression! The I. L. O. itself lists the following causes: (1) Excessive production of grain; (2) excessive machine capacity resulting in only part-time use of the world machinery; (3) inelasticity of credit; (4) lack of confidence; (5) fall in the price of silver; (6) excessive cost of production; (7) development of new centres of production, especially the Soviet Union; (8) artificial trade barriers, includ-

ing dumping; (9) maldistribution of population; (10) too rapid development of labor-saving machinery.

These matters were further discussed by the joint committee of the I. L. O. and the Pan-European Commission which met at Geneva July 1. An interesting variety of public works projects, proposed to the I. L. O. by several countries, were submitted as ways of alleviating unemployment. The Pan-European Committee on Unemployment has asked the Pan-European Credit Committee to make an investigation into the ways in which a public works program can be carried out through international cooperation.

American Business Perplexities

THE past month in the United States, even as

By E. FRANCIS BROWN

so many preceding months, has been concerned with the economic depression, both its actual course and the events which may be related to it. Generalization about the attitude of a nation of 120,000,000 may be dangerous, but superficially, at least, the American people in this Summer of 1931 seem to be less pessimistic about conditions and more hopeful that the worst is over. The more optimistic tone may have been due in part to the announcement and successful conclusion of President Hoover's international debt moratorium. (See pages 641-645 of this issue.) Certain business surveys have showed an improvement in industry, notably in New England, and on July 3 a report from one of the financial papers made it clear that commodity prices had risen for the first time since August, 1930. Possibly these facts are less important than the intangible one that no normal person can long remain in a state of despondency and that the present period of hopefulness is a natural reaction to the gloomy months which lie behind.

On the other hand, many effects of the depression are only now

beginning to be felt. A statement issued at the close of the government's fiscal year on June 30 disclosed a deficit of \$903,000,000 and an increase in the outstanding public debt of \$616,000,000. A year ago the treasury closed its year with a surplus of \$184,000,000. Treasury receipts for the year were \$3,317,000,000, a decline of \$861,000,000 from 1930, while expenditures chargeable against ordinary receipts were \$4,220,000,000—\$226,000,000 more than last year. Money conditions during the year, however, were such that it was possible to refund much of the debt at unusually low rates, permitting a reduction of \$48,000,000 in interest charges. The total income tax collection, including back taxes, fell from \$2,411,000,000 for the fiscal year 1929-1930, to \$1,860,000,000. Customs duties were \$209,000,000 less than for the previous year.

Secretary Mellon, it will be recalled, estimated in his annual report submitted last December that the deficit would amount to \$180,000,000. According to Acting Secretary Ogden L.

Mills "the discrepancy was due to the difficulty at that time of measuring the severity and duration of the business depression and the extent to which internal revenue and customs receipts would be affected."

Reports from the Treasury Department and the Department of Commerce on July 8 gave further indication of the effect of the depression on American finances. According to a treasury report, the total collection of internal revenue for the fiscal year 1930 totaled \$2,428,180,000, a drop of \$611,965,513 from the figure for the previous fiscal year. The annual report on the "Balance of International Payments," made public by the Department of Commerce, disclosed a total of \$17,050,000,000 in international payments to and from the United States during the fiscal year 1930 as compared with \$20,185,000,000 the year before. Because of the fall in value of foreign securities on the American exchange, foreigners were able to repurchase their obligations at considerable discounts involving total payments of \$806,000,000. The report also showed that in 1930 461,254 American tourists went abroad, spending in European countries about \$265,961,000 and in all countries a total of \$811,000,000. Dr. Julius Klein in a foreword to the report said: "Among the more significant of the many revelations of this study are those having to do with the unparalleled use made of the 1930 opportunity by foreign debtors to Americans to repay, at discounts, obligations held here; the persistence of huge foreign travel expenditures by the American people, and the continued increase in this country's monetary gold stocks under conditions which usually are deemed unfavorable."

Already, in anticipation of the treasury deficit, President Hoover in May initiated a drive for economy in the government departments. (See *CURRENT HISTORY* for July, pages 593-594.) The Navy Department, follow-

ing similar moves in other government departments, assured President Hoover on June 6 that savings of \$25,000,000 could be guaranteed in this branch of the service. Already in the fiscal year just ended the navy, through putting the older and obsolete vessels aside and cutting down on personnel had saved \$10,000,000 from its appropriations without impairing the scope or quality of the service. One of the most striking points in the navy's economy program was the proposal to demilitarize the island of Guam. The Marine Corps, it was announced on June 10, would in the interest of economy cease recruiting and would reduce its strength by between 600 and 1,500 men. The reduction in personnel, it was expected, would mean a saving of about \$1,000,000 a year. Meanwhile Secretary of Commerce Lamont had ordered a survey of his department in an effort to discover possible economies.

UNEMPLOYMENT

Unemployment shows no improvement in the country, according to a statement made on June 25 by William Green, president of the American Federation of Labor. He estimated the total number of unemployed on that date to be 5,300,000—an increase of 150,000 since May. "In normal years," he declared, "employment for workers in general improves slightly from May to June, according to trade union records covering four years. In 1928 and 1929 there were slight general gains in June, although the Summer dull season had already slackened some trades. But this year and last year business depression has brought worse unemployment in June. * * * Our report for different industries shows that the increase in unemployment has been general." The monthly survey of the American Federation of Labor, issued on June 5, showed that unemployment, wage-cutting and part-time work had cost American workers during the first quarter of 1931 between \$2,500,000,000

and \$3,000,000,000. Wage-cutting was attributed generally to small employers; "large employers are, in general, maintaining wage rates and intend to continue." Wage rate decreases in March were made by 175 establishments, affecting 22,502 employes, according to a statement issued by the Department of Labor on June 9. Of these wage cuts, thirty-four were made in textile industries, thirty-two in the iron and steel group and forty-one in lumber industries. On the other hand, five establishments in five industries reported wage increases in March.

COAL MINERS STRIKE

Unlike most periods of economic distress and hard times, the present one so far has been distinguished by few strikes or lockouts. In 1930, according to the Department of Labor, strikes and lockouts numbered 653, the low mark since 1918. The outstanding labor difficulty at the present time is in the bituminous coal fields of Ohio, West Virginia and Pennsylvania.

The coal miners' strike is only incidentally the result of the present depression; its roots run back several years and are to be found in the general conditions which have long been the source of labor troubles in the bituminous coal fields. Low wages are undoubtedly the primary cause, but a struggle to restore unionism among the miners is also a highly important factor. The failure of the strikes led by the United Mine Workers in 1927 crippled that union and drove from its rank many members who were dissatisfied with the conservative leadership of John L. Lewis. In 1928 a more radical miners' union was formed, the National Miners' Union, which has among its leaders William Z. Foster. The present strike is in part a struggle for power between these two unions, although both are fighting for better conditions for the workers. On the other side are the operators, who

are still suffering from the overdevelopment of the coal industry during the World War and who today are forced to compete with the Southern mines which enjoy extremely low wages and a railroad rate differential that places them in a superior position in the bituminous coal trade.

There have been rumbles in both the anthracite and bituminous coal fields since early Spring, but the few strikes in the anthracite mines have been settled quickly and without much difficulty. Conditions in the bituminous coal regions, however, were ripe for trouble. Wages in some instances were as low as \$2 a day and the workers were quite ready to adopt the slogan which has prevailed throughout the strike: "It is better to starve under a shady tree than to starve working." A strike called by the National Miners' Union in early June spread rapidly throughout the fields of Eastern Ohio and Western Pennsylvania. On July 6, 23,000 miners in the fields of Kanawha County, West Virginia, went on strike. The number of miners on strike in all fields is difficult to determine, but must run to many thousands.

The course of the strike has been typical of such episodes of industrial conflict. On one hand are the coal and iron police who have clubbed and used tear gas without much restraint. In some instances pitched battles have occurred between sheriffs, their deputies and the strikers. One of the most drastic injunctions in labor history was issued on June 16 at Pittsburgh by Judge H. H. Rowand to restrain the National Miners' Union and all persons under its direction from picketing, patrolling or gathering on the public highway in the vicinity of the Consolidated Coal Company at Wildwood, Pa., from annoying, insulting, ridiculing or assaulting employes of the company. Governor Pinchot of Pennsylvania has announced that he expected the State constabulary to permit peaceful picketing and to act only to preserve

order. One of the most impressive demonstrations in the course of the strike was made on June 16, when 7,000 miners, their wives and children participated in an orderly, peaceful march from Tylerdale, Pa., to the Washington County court house to present to the county commissioners a petition for relief from starvation. A similar parade of 8,000 strikers took place in downtown Pittsburgh on June 30.

On June 11 John L. Lewis, president of the United Mine Workers, appealed to President Hoover for intervention in the industry whose ills are "of such a cancerous nature that no self-aid can be expected." President Hoover replied on June 30 that he had called the attention of the Secretaries of Commerce and Labor to the situation in the bituminous coal industry. As a result Secretary Lamont called a conference of coal operators which met at Washington on July 9. No attempt was made to reach any decisions, and there was only a "free and frank" interchange on problems. Unofficially, it was reported that the operators were not inclined to make concessions to the strikers. Many of the operators, apparently, held the view that a national coal conference at this time would be to little purpose. Many observers now believe that the United Mine Workers now have an opportunity to return to power, since the coal operators are fearful of the more radical National Miners' Union and regard unionization of the miners as a way to eliminate cut-throat competition and to stabilize production costs.

THE RAILROAD SITUATION

One of the basic industries of the United States which have been hardest hit by the depression is railroad-ing. For some time there has been talk of a movement for higher railroad rates, and these rumors definitely crystallized on June 17 when the railroads of the country, following con-

ferences on June 11 between the heads of the nation's roads at New York, petitioned the Interstate Commerce Commission for a blanket rise of 15 per cent in freight charges. The petition set forth the desperate financial situation of the roads because of the economic depression and the competition of other kinds of transport. By the terms of the transportation act of 1920, a fair return on the property investment of the railroads was set at 5.75 per cent; present conditions have brought the return to less than 4 per cent, and for the first four months of 1931 it declined to 2.24 per cent. The petition set forth not only the interest of investors in adequate return on railroad securities but emphasized the desire of the roads to maintain wages and to avoid any drastic cuts in personnel. Perhaps to the surprise of the roads the petition was received with sympathy by the general public and apparently by the commission. Hearings on the petition were promised by the Interstate Commerce Commission to begin on July 15 in the hope that a decision could be given in the Fall. The depression has further stimulated the movement for railroad consolidation, but to date the movement is still in the realm of talk.

AGRICULTURAL PROBLEMS

Throughout the depression one of the most prominent and persistent problems has been that of agriculture. Last year the elements combined with excessively low prices for farm products to produce widespread suffering in the great farming areas of the South and Middle West. This year has promised similar treatment by nature as the result of drought and scorching heat in the Northwest, particularly in Western North Dakota, Eastern Montana, Oregon and Washington. The Middle Western and Mississippi Valley States have received less than normal rainfall this year and are threatened with a repetition of last year's drought. The drought and the heat in the Northwest have dried up

crops and caused a water shortage as well as insufficient pasturage for live stock. The wheat crop of Oregon was estimated to have been cut in half, while in North Dakota farmers were moving their stock to regions where water and pasturage could be found. In one instance 25,000 sheep were moved from Western North Dakota to the Fort Yates Indian Reservation on the Missouri River. On July 2 Secretary of Agriculture Hyde announced that loans had been arranged to provide feed for live stock of drought-stricken farmers. The Interstate Commerce Commission a few days earlier granted the Northwestern railroads permission to reduce rates for emergency transportation of live stock to areas which had not been affected by the drought.

Meanwhile the Federal Farm Board has continued to wrestle with its mysteries. At the close of business on May 29 the board announced that it had ceased to buy wheat for the purpose of price stabilization. The announcement was made at a time when the government agencies were in possession of more than 200,000,000 bushels of wheat. As a result of the wheat purchases which began in February, 1930, American wheat prices had been stabilized well above world levels for seven months, permitting banks holding loans against wheat to liquidate them. At the moment of the Farm Board's announcement May wheat was quoted at 83¼ cents a bushel, but within a few days the price of wheat had fallen to and below world levels. On June 3 July wheat closed at 57 cents a bushel, the lowest Chicago quotation since 1896.

The problem of marketing the wheat held by the Farm Board has caused considerable discussion, and the board's declaration that it would sell its holdings of wheat when it could do so without placing too heavy a burden on the domestic and world markets aroused a storm of protest among wheat growers in the West. As

a result President Hoover on June 27 requested the Farm Board to reconsider its stand in regard to both wheat and cotton. The Farm Board was not enthusiastic over the President's suggestion and declined to give any assurance that the full 1930 holdings would be withheld from competition with the 1931 crop. Chairman James C. Stone attributed much of the agitation to the private traders and particularly to the short-sellers, whom he accused of attempting to discredit the Farm Board's efforts at stabilization and to depress the market. Apparently he won President Hoover over to his point of view because on July 10 the President issued a statement denouncing the speculators who attempted to drive down commodity prices by short-selling. Simultaneously with the President's statement, the Department of Agriculture issued its crop report, which showed a probable wheat harvest this year of 869,000,000 bushels, 6,000,000 more than last year. To add to the board's tribulations, the Kansas State Tax Commission on July 2 ruled that the Kansas wheat holdings of the Grain Stabilization Corporation were subject to taxation by the State and its subdivisions. The commission ruled that the Stabilization Corporation is a private corporation and therefore liable to State and local taxation.

OPENING OF THE PRESIDENTIAL CAMPAIGN

Politicians, at least, saw the first moves in the game of the 1932 Presidential campaign when in June President Hoover made a brief speaking tour in the Middle West. On June 14 the President left his Rapidan camp and journeyed to Indianapolis to speak the next day before 5,000 of his supporters gathered at a banquet of the Indiana Republican Editorial Association. His redeclaration at this time of the purpose of his administration to see the United States out of its present economic plight by main-

taining the doctrine of individualism was regarded as an unmistakable bid for re-election in 1932. Speaking in Manufacturers Hall at the State Fair Grounds, he reviewed the activities of his administration in organizing individualistic effort and declared that those men who believe the country can legislate itself out of a "world-wide" depression are as accurate as those who believe that "we can exorcise a Caribbean hurricane by statutory law."

The next day, June 16, President Hoover spoke at the dedication of the tomb of President Harding at Marion, Ohio. The speech was notable for one thing: President Hoover declared that "Warren Harding had a dim realization that he had been betrayed by a few men whom he had trusted, by men whom he had believed were his devoted friends." This statement was the first admission by any former member of the Harding Cabinet that the late President had been dimly aware of the villainy of some of his associates. After the somewhat painful exercises at Marion, President Hoover traveled to Springfield, Ill., for a more congenial duty—to speak at the rededication of the tomb of Abraham Lincoln.

Springfield, on June 17, gave President Hoover the most enthusiastic reception which he received on his tour. Appearing before a joint session of the Illinois Legislature in the Springfield Arsenal, President Hoover received such a reception that he replied with one of his rare impromptu addresses. His speech at the Lincoln tomb was brief—a reaffirmation of the theme of his inaugural address, obedience to law and enforcement. "There can be no man in our country," he said, "who, either by his position or his influence, stands above the law." His tribute to Lincoln was simple and forceful and he recalled Lincoln's own words that our national heritage is "worth the keeping." President Hoover returned to Washington on June 18, cheered by the

reception which he had received. Republican leaders in the Middle West declared that the success of the President's tour had given them new courage.

A less spectacular gathering, preceding the President's tour, was the annual Governors' conference which met at French Lick, Ind., on June 1. Two Governors stood out above their fellows, Gifford Pinchot of Pennsylvania and Franklin D. Roosevelt of New York. In the opinion of many, Pinchot cast his hat into the Presidential ring when he attacked the Mellon-Morgan public utility and power group, which he denounced as "the most gigantic graft ever imposed or collected by any single business since the world began." Governor Roosevelt in his speech at the meeting urged the throwing over of outworn policies and the adoption of active measures to protect the people against economic disaster. His speech, however, tended to avoid discussion of national policies and was regarded by some of the Governors as a studied effort to keep away from issues which might arise in the 1932 Presidential campaign.

Governor Roosevelt on July 6 delivered two addresses before the University of Virginia's Institute of Public Affairs. Calling upon the people of the country to rise to the responsibility of working out a means of remolding the forms of government devised by the founding fathers, he said that government should be made more serviceable to all the people and more responsive to their present needs. As a result of these speeches Roosevelt was hailed by Virginian Democracy as a candidate for the Democratic Presidential nomination in 1932.

FILIPINO AND PORTO RICAN INDEPENDENCE

For the first time in many months the problem of the Philippines received considerable attention in the American press. At the general elec-

tions on June 2 the Nacionalista party won a sweeping victory at the polls but the elections were accompanied by frauds, intimidation and violence. Following the election, 105 election inspectors were reported missing and when finally rounded up, nine were held on charges of definite intention of fraud. Senators Harry B. Hawes and Roscoe C. Patterson of Missouri arrived at Manila on June 18 for an inspection of the Philippine Islands. Senator Hawes immediately issued a statement favoring Filipino independence and reiterated this stand throughout his visit to the islands. On July 12 a huge parade in Manila, planned for the benefit of Senator Hawes, turned into the greatest political demonstration in the history of the Philippines when 40,000 Filipinos marched in a parade which was watched by crowds estimated at between 150,000 and 200,000. The demonstration was reviewed by the Senator from the steps of the legislative building from which he made several speeches whenever the moment seemed opportune. Considerable anti-American feeling accompanied the parade. The Senator's visit complicated the work which Governor General Davis has been carrying out in the Philippines and seemed to promise difficulties for the Governor in his attempts to cut down administrative expenses. It was announced on June 29 that Secretary of War Hurley would visit the Philippines late in July "in order to acquaint himself

more intimately with the details of Philippine problems."

At the moment of this demonstration in Manila, Governor General Davis's annual report on the Philippines was being made public in Washington. His report declared that free trade with the United States has saved the islands from "a major economic disaster" during the present worldwide depression. Trade with the United States constituted 72 per cent of the total trade of the Philippines in the past year, the Governor General declared. His report was generally optimistic, although this attitude might have been less certain if the report had been written after the visit of Senator Hawes.

On June 6 the Unionist party in Porto Rico at a special convention dropped its traditional demand for statehood in favor of independence for the island. Although the leaders of the chief political parties in Porto Rico denounced the Unionist stand, the new demand has revived much interest in an attempt to secure a clearer definition of Porto Rico's status by the American Congress.

Ralph H. Booth, American Minister to Denmark, died at Salzburg, Austria, on June 20. Mr. Booth, who was appointed Minister by President Hoover on Jan. 20, 1930, was a resident of Detroit and the owner of a chain of newspapers in Michigan.

Mexico Renews War on the Church

THE religious controversy in Mexico once more forged to the front as the outstanding event

of the past month. On June 18, two years after the compromise agreement between the Federal Government and the Church which permitted

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the renewal of Catholic services in Mexico, the State of Vera Cruz put into effect a law restricting the number of priests to one for each 100,000 inhabitants. Since Vera Cruz has a population of about 1,100,000, the Church will be permitted by law only



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eleven priests. At present there are more than 2,000 churches in the State. The new law, which is an obvious attempt to destroy the Catholic Church "constitutionally," was sponsored by Governor Adalberto Tejada who is a bitter anti-clerical and was Minister of Interior during the most intense period of the religious crisis several years ago.

Archbishop Leopoldo Ruiz y Flores, Apostolic Delegate, immediately announced that the Bishops of Vera Cruz would refuse to name the eleven priests whom the law would permit to officiate. Furthermore, the priests were ordered, in defiance of the law, to remain at their churches and continue services. If ejected from the churches by the State authorities they will then apply to the courts for injunctions. The law provides a \$500 fine for each violation. In protesting against the drastic legislation, the Apostolic Delegate condemned the action of the Vera Cruz lawmakers as a violation of the solemn understanding entered into with the National Government that the religious laws would be interpreted and applied in a friendly spirit.

President Ortiz Rubio was appealed to by the Archbishop to intervene to

restrain the State authorities and was petitioned also by Catholics throughout the republic. The President, however, made no statement and the Department of Interior likewise remained silent, although it has undertaken an inquiry. The majority bloc in the Senate and in the National Chamber of Deputies gave a vote of moral support to Governor Tejada who has announced that he has received congratulatory messages from other Mexican Governors who said they would seek similar legislation.

The usual disorders and violence followed the anti-Catholic legislation in Vera Cruz. In Huatusco, State of Vera Cruz, a clash occurred between the police and Catholics in connection with the burial of a priest who had been slain from ambush. Six were killed and a number were injured. In Totula, also in the State of Vera Cruz, an effort to eject a priest from his church was frustrated by a mob of several hundred persons. Lives were also lost in the State of Jalisco in riots over the Vera Cruz law.

Alleging the unconstitutionality of the new law, priests and laymen in Vera Cruz petitioned for an injunction against it. On June 25 a court in Vera Cruz rejected the suit on the

ground that no attempt had been made to enforce the legislation, but two days later a permanent injunction was granted to a priest of Jalapa against efforts to oust him from his church.

TENSION BETWEEN MEXICO AND THE UNITED STATES

Emilio Cortes Rubio, a kinsman of the Mexican President, and his companion, Manuel Gomez, mistaken for desperadoes, were slain at Ardmore, Okla., on June 8, by two deputy sheriffs, William E. Guess and Cecil Crosby. The Mexican Embassy in Washington immediately sent a note to the State Department requesting an investigation and report upon the killing. Widespread indignation over the regrettable incident was expressed not only in Mexico but in the United States. Secretary Stimson urged Governor Murray of Oklahoma to take prompt action. Deputy Guess, who took personal responsibility for the actual slaying, was acquitted by a jury on June 27. News of the acquittal was received with indignation in Mexico. The verdict was described as a "demonstration of American injustice." That the Mexican Government did not regard the incident as being closed was evidenced by the request of the Mexican Ambassador in Washington for a report on the United States Government's investigation into the shooting at Ardmore.

While relations between Mexico and the United States were still strained by this unfortunate affair, two other incidents occurred which added further tension. Late in June Ruben Pardo, a Mexican accused of trying to escape arrest after illegally entering the United States, was shot by immigration officers near San Diego. He died a few days afterward. Complete reports of this episode were still lacking, but the Mexican press was not neglecting to comment.

On July 7 Adolfo Dominguez, Acting Mexican Consul in Chicago, was sentenced to six months in the county

jail by Judge Thomas A. Green for contempt of court. The sentence was passed after the consul and judge had engaged in a verbal battle in the South Chicago court when the consul attempted to intercede in behalf of a Mexican prisoner. On July 9 the Mexican Government sent a strong protest over the arrest of Consul Dominguez to the United States Department of State. The State Department, however, had already begun an investigation, and Judge Green, after a conference with Chief Justice John J. Sonestebly, had expunged the order for the consul's arrest.

Unemployment in the United States, coupled with love of the home country, has caused a great Mexican exodus from the United States. From Southern California alone more than 60,000 Mexicans have been repatriated since Jan. 1. Although Mexican newspapers allege unfair discrimination against Mexicans in the United States, and a campaign to deport alien Mexicans, Foreign Secretary Genaro Estrada, in a public statement, said that investigation had revealed no important cases of improper deportations from the United States.

The return of the large numbers of workers from the United States has created a problem for the Mexican Government. More than 13,000 laborers secured employment in their homeland directly through the efforts of the Interior Department, which has constituted itself an employment bureau. But the repatriates who have found employment constitute only a small minority of the returning workers.

An intense campaign is being conducted in Mexico by the national league of merchants to drive Mexico's 20,000 Jews from the country. On June 1 15,000 persons participated in a parade in the capital city, carrying banners of various descriptions proclaiming the Semitic menace. The Mexican Government has repudiated the drive against the Jews, and Carlos Riva Palacios, Secretary of the In-

terior, has declared that the demands for the deportation of Jewish traders had no legal foundation, and that they were constitutionally protected.

END OF HONDURAN REVOLT

The revolutionary movement in Honduras headed by General Gregorio Ferrera, a former Minister of War who long has agitated against the Tegucigalpa Government, suffered a crushing blow in the defeat of the rebel forces at the battle of Yojoa Lake, and the death of their leader. During the past few weeks General Ferrera was active in Northern Honduras. Pursued by loyal troops through several departments, he was finally overtaken at Lake Yojoa, seventy miles south of Puerto Cortes, Honduras's principal port on the Caribbean Sea. In a sharp engagement the insurgents were defeated with heavy losses. An airplane bombardment further demoralized the routed rebels, who were seeking to cross the Salvadorean border fifty miles from the battlefield, and on June 27 loyal troops killed General Ferrera in a skirmish. The death of General Ferrera definitely ended the revolution. Surviving revolutionists took to the mountains or the jungles to escape the pursuing troops. From the outset the uprising was opposed by most Hondurans, regardless of political affiliations.

INSURGENTS IN NICARAGUA

Insurgency persists unchecked in Nicaragua. On June 9, four men of the Nicaraguan National Guard were killed, and an American Marine officer was wounded in a clash with outlaws near Jicaro. On June 16 a Lieutenant and sergeant of the Marine Corps were killed in a contact with insurgents in the Jinotega area of Central Nicaragua. Several other engagements occurred between National Guard detachments and insurgents who appeared to be in strong force. Because of the density of the jungle

the outlaws remain fairly immune from capture.

Secretary Stimson announced on June 5 that the schedule mapped out in February for reducing the forces of occupation in Nicaragua by more than 500 men had been carried out. There are now 970 officers and men of the Marine Corps and navy in Nicaragua. On Feb. 13 there were 1,506 American officers and men in the country. Those remaining are retained because of the arrangement for American supervision of the Presidential election next year, and in order to train the Guardia Nacional.

CUBAN ECONOMIC CRISIS

The Cuban Government has arrived at a financial crisis which may be followed by serious political consequences. Primarily because of the collapse of sugar, revenues are so depleted in spite of appallingly high taxes that the government does not know how to meet the ordinary expenses, let alone make payments on its debt. The executive and legislative departments, in an effort to meet obligations, have cut the budget to \$60,000,000 by drastic curtailment of expenses. A 20 per cent reduction in salaries of public employes, which did not affect the army, aroused bitter criticism in the Conservative opposition. President Machado defended the army appropriation on the ground that widespread disorders necessitated security measures. In a further effort to meet the critical financial situation, President Machado asked permission of the Congress to negotiate with the Chase National Bank of New York for a two-year postponement of payment of the \$20,000,000 loans for public works.

In an effort to quiet political unrest over the country and enable him to obtain cooperation for the next two years in attempting to cure Cuba's ills, the President has made numerous concessions to the Nationalists and

other opponents. Many political prisoners have been released, constitutional reform promised, a census is to be taken, the first since 1919, and measures have been taken to provide food and shelter for the unemployed and their families. The proposed constitutional reform leaves the Presidential term at six years with no re-election, provides for direct election of President and Senators, recreates the office of Vice President, provides optional woman's suffrage, and makes the Cabinet dependent upon the confidence of Congress. The Opposition has rejected the reform, contending that the present government is illegally constituted. It expects the Supreme Court to sustain its contention. The public at large views the political differences without emotion, for it believes that nothing can help the general situation except a decrease in taxes. In the meantime, disturbances, mostly riots of the unemployed, are reported from one end of Cuba to the other.

AMERICAN WITHDRAWAL FROM HAITI

As a further step in the Hoover-Stimson program of withdrawing American forces from Central American and Caribbean republics, it is

reported that negotiations are under way providing for the withdrawal of the United States from Haiti within two years. This means a speeding up by three years of the Haitianization program recommended by the Forbes Commission. The new program will leave the collection of Haitian customs in the hands of an American receiver, and the United States sanitary officers will remain, but all other offices now filled by Americans will be taken over by Haitians. There are at present only 800 marines in Haiti.

On June 19 the lower house of the Haitian Congress adopted a resolution denouncing the treaty of 1915 with the United States and declaring void acts subsequent to 1926, when the treaty is said to have expired. The President is urged to take immediate steps to terminate the occupation. The resolution reads: "The treaty having expired on May 3, 1926, without having been renewed by any valid act, no convention analogous to it has existed since then. The presence of troops of the American occupation, which were not provided for even by the limited convention of 1915, has become needlessly vexatious since the establishment of stable government as a result of the elections of Oct. 14 and Nov. 18, 1930."

The Dictatorship in Venezuela

ABSOLUTISM in Venezuela changed its form, if not its substance, when General

Juan Vicente Gómez, called "El Benemérito," was unanimously elected President of Venezuela by Congress on June 19. Thus, the man who has held Venezuela in the hollow of his hand since 1908 resumed titular leadership of the country after a two-year interval, during which the Presidential office had been filled by Dr. Juan Bautista Pérez, formerly Chief Justice of the Court of

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Cassation. President Pérez, who had been elected in May, 1929, for a seven-year term, resigned on June 13 in

response to a demand by Congress, sitting as a Committee of the Whole, that he relinquish his office. The Congressional resolution pointed out that "private suggestions, both oral and written, by members of Congress to the President requesting his resignation had been answered by evasion and delay" and formally requested his resignation, since the "supreme interests of the nation" required it.



SOUTH AMERICA

During the relatively brief term of Dr. Pérez, General Gómez retained a firm grip on the national administration through amendments to the Constitution, whereby the office of Commander-in-Chief of the army was created and certain functions of the President could be exercised only with the approval of the Commander-in-Chief, who was, of course, General Gómez. Among these powers were the direction of national defense and maintenance of internal order, and to some extent, appointments. According to newspaper reports, the President and Cabinet were in the habit of spending week-ends at the sumptuous country-place of General Gómez, near Maracay, where, presumably, they received their instructions and made their decisions for the coming week. Upon being requested to resume the Presidency, General Gómez laid down certain conditions involving the restoration to the Chief Executive of certain powers which had been taken from him by Constitutional amendment at

the time President Pérez assumed office. On July 8, less than three weeks later, it was announced that the Legislatures of the twenty States had ratified the necessary amendments restoring these functions to the President.

The chief causes for requesting the resignation of the former President were announced as the economic depression and the "internal situation." Whether the latter carries with it an intimation that the revolutionary activities which have been persistently reported for a number of months have made sufficient headway to lead the "strong man" of Venezuela to take the reins again personally is extremely doubtful. An editorial in *La Prensa* of Lima, Peru, sees no such serious reason for the change. General Gómez, it declares, made Dr. Pérez President "merely as a diversion, and having tired of the farce, discharged him."

To his enemies General Gómez is a ruthless dictator, who is responsible for the imprisonment, exile or death of numerous opponents of his régime. To his supporters he is the man who has given Venezuela the strongest financial standing of any of the South American countries, eliminated her foreign debt, developed industry and improved communications.

A charge by the attorney for James E. Welch, an American citizen, who has been trying without success to obtain custody of his natural daughter, born in Venezuela, that "American oil companies and other foreign interests have subsidized the Gómez régime," was reported on July 7. On June 15, the United States Department of State, after exhaustive investigation, declined to interfere in Mr. Welch's case.

PROPOSED REFORMS IN ARGENTINA

At the other extreme of the South American continent, General Uriburu, the Provisional President of Argentina, moved to meet the accusation of trying to make himself dictator, by an

announcement on June 2 that he would not accept a nomination for the Presidency. He further said that nothing would induce him to break the promise made when he took over the government after the revolution of Sept. 7, 1930, that "neither he nor his Ministers would run for the Presidency in the elections." On June 18 he issued a proclamation proposing important constitutional changes to "avoid a repetition of the political conditions that led to the revolution against President Irigoyen."

President Uriburu finds three major faults in the Argentine political system—personalism, centralization of power and "an oligarchy which degenerates ultimately into demagoguery." The Constitution, he declares, grants the President such great powers that Congress actually becomes a dependency. The power to convoke Congress enables a President to govern without Congress if he sees fit, as was actually the case in 1930. General Uriburu stated that although Congress is supposed to be convoked annually between May 1 and Sept. 30, President Irigoyen in 1930 had not yet called it when the revolution broke out, just twenty-four days before Congress was due to recess. The new proposal would meet this situation by providing that Congress shall meet in May without call by the President and remain in session until December. The session may be extended either at the instance of the President or at the request of one-third of the members of each house.

To meet the "scandalous" situation which prevailed during the Irigoyen régime, whereby a minority of the members of the Senate, by willfully absenting themselves, prevented that body from functioning, General Uriburu proposes, first, that the Senate and Chamber may function with a quorum of one-third of their members and, second, that a member may be automatically suspended if he is absent without permission of the

Chamber from six consecutive sittings.

Another evil of the former régime was interference with the provinces through the Presidential power to appoint "interventors." At the time of the revolution, Federal interventors, appointed by President Irigoyen and supported where necessary by the armed forces of the nation, were in control of four important provinces whose State Governments had been dominated by the opposite political party. This evil Uriburu proposes to cure by providing that the Supreme Court shall determine whether any provincial government has violated the republican form of government and the Federal Government shall intervene only for the purpose of enforcing the mandates of the Supreme Court.

In order to protect the credit of the nation, General Uriburu, while providing in his proposals for complete financial autonomy of the provinces in the disposal of their own resources, would provide that provinces and municipalities make use of their borrowing power to make loans abroad only in accordance with regulations to be drawn up for the purpose by Congress.

Efforts to unite the two groups of the Radical party under former President Marcelo de Alvear have apparently failed. The "anti-personalists," opposed to the Irigoyenist group, have elected Dr. Eduardo Laurencenas as their leader, and the latter has refused to consider fusion with the other wing of the party until it has purged itself of "the parasites and delinquents" who surrounded the former President. Dr. de Alvear, though not a "Personalist" himself, has apparently lost ground because of his unwillingness to face the issue and repudiate "Irigoyenism," in spite of President Uriburu's repeated demands that the party declare itself. Elections held early in June for three legislative districts in the province of Entre Ríos

gave victory to the anti-Irigoyen Radicals over both the Popular Concentration group (supporting President Uriburu) and the Irigoyenist Radicals.

In spite of its forward-looking program of constitutional reforms, the Provisional Government still maintains the "state of siege," which involves censorship of newspapers and the prohibition of all public meetings or criticism of the government.

UNREST IN PERU

Peru has continued to suffer from disturbed political conditions. On June 11 the government declared a modified form of martial law and arrested fifty-five persons on the charge that they were plotting an outbreak against the junta. Among the prisoners were a number of minor officials of the deposed Leguía régime. It was later reported that the movement had as its purpose the placing of Colonel Aurelio García Godos, reported to be in Chile, in power. On June 15 rioters clashed with police at Chiclayo, in Northwest Peru, when crowds tried to liberate arrested Communist leaders. On June 19 the five-week lockout of oil workers in the Lobitos fields ended. Student troubles, common in Latin-American countries, resulted in the seizure by students of the Engineering Building in Lima in order to enforce their demand for reorganization of the school. The most serious threat to the Provisional Government was a military revolt at Cuzco and Puno in Southern Peru, when two regiments mutinied in favor of Colonel García Godos. After a ten-day campaign the rebel forces were broken up and Cuzco captured by government forces on July 6. The uprising was reported to be due in part to the old feeling between North and South (between Lima and Arequipa), in part to opposition to the return to Peru of Colonel Sánchez Cerro, deposed Provisional President, and in part to

personal ambitions. The situation is complicated by the fact that the head of the present Provisional Government is David Samáñez Ocampo, himself a Southerner from Arequipa and an opponent of Sánchez Cerro, while the "strong man" of the junta is reported to be Colonel Jiménez, Minister of War, a former supporter of Sánchez Cerro.

The approaching elections, announced for September, will probably be still more complicated. A dispatch on June 24 reported seven parties in the field, though only three candidates for the Presidency had declared themselves. These are former President Benavides, who returned to Peru in July, and is supported by the Civilistas; Colonel Luis Sánchez Cerro, whom the junta finally allowed to return to Peru on July 3, after refusing to permit his return for several weeks; and Raúl Haya de la Torre, leader of the "Aristas," or members of the APRA (*Alianza Popular Revolucionaria Americana*). Señor de la Torre, returning after eight years of exile in Europe, denies that his party is communistic or anti-foreign and declares that it believes in "progressive nationalism" and the cooperation of foreign capital in the development of Peru "within the limits of our laws." De la Torre, a graduate of Oxford, is said to be supported by intellectuals, young radicals and the student groups. President Samáñez Ocampo has announced his intention to retire to private life after the elections.

THE GRAN CHACO DISPUTE.

On July 5 Señor Guachalla, Bolivian Minister to Paraguay, left his post after his government had severed relations with Paraguay because of a statement by Señor Ynsfrán, the Paraguayan Chargé d'Affaires in Washington, charging Bolivia with militaristic intentions. At the same time it was announced that the Paraguayan

Minister at La Paz would likewise be withdrawn. Thus, the Gran Chaco problem, which almost led to war between the two countries in consequence of the frontier clashes of December, 1928, again comes into prominence as a threat to international harmony on the South American Continent. Fortunately no armed conflicts have taken place in the disputed region, though rumors and charges of activities by patrols on one or the other side closely parallel the unfortunate circumstances of 1928. Still more fortunately, the five neutral powers whose representatives and those of the two principals spent a long Summer in Washington in 1929 in an effort to compose the situation—Colombia, Cuba, Mexico, Uruguay and the United States—have again offered their services in identical notes dispatched on June 25.

The delivery of two gunboats purchased by Paraguay from Italy for use on the Paraguay River led to a statement by the Bolivian Minister in Washington which was in contrast with the drastic reductions in the Bo-

livian Army budget made on June 6, and followed by a cut in the military forces, with the increase in military strength of Paraguay. To this statement the Paraguayan chargé replied in effect that the Bolivian reductions were due to her well-known financial difficulties rather than to peaceful intentions, while Paraguay was modernizing her armaments out of her own resources, and with a balanced budget.

FINANCIAL PROBLEMS

Financial problems, which have troubled most of the States of South America during the past year, show little improvement. On July 3 it was announced that the accumulated deficit of Colombia would exceed \$34,000,000 by the end of 1931. In spite of drastic economies in governmental expenditures it was estimated that \$2,500,000 would be added to the deficit during the present year.

On July 8 the Baires Provisional Government of Uruguay took steps to prevent delay in the payment of interest on loans of the city of Cordoba held by New York bankers.

British Land-Tax Scheme

WITH a consistency quite extraordinary in the circumstances, the British House of

Commons continued to excite itself and the country over the possibilities of a Liberal defection from the government and a general election. The occasion was the discussion of Mr. Snowden's finance bill, but after what Sir John Simon called "lower depths of humiliation than any into which it had yet been led," Mr. Lloyd George's party quite naturally saved its own seats and the government's majority.

The Conservatives directed criticism on the charge that the land tax would fall on educational and other public service foundations, and, although

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their amendments were defeated, Mr. Snowden accepted a number of exceptions that would partially meet their objections. The Liberals, on the other hand, committed a tactical error in announcing their objection "on principle" to double taxation of land, and prepared to fight for the application of the tax only to undeveloped, untaxed land. Mr. Snowden, although apparently alone in his stand in the Cabinet, made it clear that he would resign rather than accept such a surrender, because it would, in his view, so seriously impair the expected revenue as to make the measure useless. His stubbornness carried the government with him. However, on June 16



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the Liberal amendment was found to be out of order.

The debates resulted in the abandonment by the Liberals of their "principle" of no double taxation and the acceptance by Mr. Snowden, defiantly, regretfully and avowedly only for the time, of some reduction in revenue. He said that he would except from the land tax the properties of bodies engaged in the relief of poverty and the advancement of religion and education, lands used for investment by friendly (insurance) societies and all playing fields to which the public had access of right. The climax came in the formal resignations from the Liberal party in favor of independent action of Lord Rosebery, Sir John Simon, Sir Robert Hutchinson and Mr. Ernest Brown.

The victory on the land tax encouraged the Prime Minister to evade for the present taking any positive action in embodying in legislation the findings of the Royal Commission on Unemployment. It had recommended decreased benefits and increased contributions. The new bill, introduced on June 19, contemplated only the creation of an advisory body to deal with anomalies and abuses and the erection of machinery for transferring the unemployed and their families to new scenes of work. As expected, it asked an increase in the borrowing powers

of the fund by \$125,000,000, thereby raising the total indebtedness to \$575,000,000 and an extension of the "transitional" (actual charity) period for another six months. Another request for borrowing powers was made by the depleted road fund, which needed \$45,000,000 more than its revenue in order to carry on a \$165,000,000 construction program as relief of unemployment.

The Independent Labor party announced its secession from the National Labor party, and forthwith a substitute for it was found in the new "Socialist Society for Inquiry and Propaganda." Organized largely by the Fabians, it will conduct research upon which to base governmental policy.

CRITICISM OF THE CANADIAN BUDGET

The provisions of the Canadian budget, announced on June 1, were so far-reaching and penetrated so deeply into the economic activities of individual Canadians that most of June was spent in discussion of it in Parliament and throughout the nation. J. L. Ralston, former Liberal Cabinet Minister, introduced the Opposition criticism. It was "a rich man's budget," because it increased taxation of moderate incomes and lowered it on large. Tariff

increases would increase the stagnation of trade and thereby add to unemployment. Objection was made to the increased sales tax because of its concealed burden on the small consumer, and there was also the suggestion that encouragement of the erection of foreign-owned factories in Canada was an invitation to the "dumping" of foreign capital.

Objection finally narrowed down to the absence of any program dealing with unemployment and to the brusqueness of Prime Minister Bennett's procedure. The example of relations with New Zealand was cited. In satisfaction of an election pledge the Canadian duty on New Zealand butter was doubled. On June 2 New Zealand responded by putting practically all Canadian products on the general list, thus depriving them of imperial preference. This hit American manufacturers in Canada as well as Canadian industry. Mr. Bennett was unable to report any solution of the situation, but said that negotiations for trade agreements were under way with New Zealand and Australia. Inasmuch as he had to announce on June 6 that the adjourned session of the Imperial Economic Conference, which was to have met in Ottawa in August, had been postponed until 1932, prospects for inter-imperial agreements were not bright.

Some of the budget proposals were sufficiently under fire to make further consideration necessary. One was the imposition of a 2 per cent tax to be levied at the source on dividends of Canadian securities owned abroad. The repercussions of this project in Great Britain and the United States were considerable, and it was held that such a move would make it very difficult for Canada to secure funds abroad. A second difficulty arose from the duty of 15 cents a pound on imported periodicals, except those of a religious, scientific or educational nature. The aim of the measure was not so much revenue as censorship, to protect Canadians from the flood

of cheap American magazines. Action was postponed in this matter until mid-August. The budget, however, passed in its main provisions on June 18.

The report of the Stamp Commission on grain-trading fulfilled the unofficial preliminary reports by holding that trading in "futures" gave the farmer a sort of insurance on his crop, a ready market and, by taking intricate trading negotiation out of his hands, saved him money on sale prices. It recommended the appointment of a public official who should have full knowledge of trading operations and be available for advice to the intending seller.

The special committee on the Canadian National Railways was active throughout the month. Information was demanded as to the salaries and allowances received by the higher officers and the hotel-building program and the losses of the Canadian Merchant Marine were criticized. Sir Henry Thornton, president of the national system, was very frank in giving evidence, but refused to publish the salary and allowance list. He thought that the whole problem of transportation, from railroads and steamships to canals and road services, ought to be investigated and a national plan adopted. He was prepared to sell the merchant marine for what it would bring.

An interesting result of the decline in agricultural prices was that in 1930, for the first time in Canadian history, manufacturing passed agriculture and took first place among national productive enterprises, with construction third and forestry fourth. Wheat prices remained 4 or 5 cents above Chicago, but stayed near 60 cents. Exports of wheat for May, 1931, were more than double last year's, but the total values were less than 30 per cent higher. Crop prospects in the East were good, but drought, disease and insect pests had reduced the estimates for the West to the lowest

point known since the beginning of such forecasts in 1909.

A great deal of speculation was aroused by the visits to Montreal of Sir Richard Squires, Prime Minister of Newfoundland, and of Peter Cashin, the Treasurer, presumably to arrange, either there or in New York, for financial credits. The Newfoundlanders refused to be interviewed on the subject beyond stating that their country was in no difficulties. Yet in response to a question in the Canadian Parliament, Prime Minister Bennett said that the possible purchase by Canada of the Labrador Coast was engaging the attention of the government and was likely to do so increasingly in the future. At present Canadian banks are the chief financial agents of Newfoundland and, as well, the Province of Quebec would welcome eagerly the removal of Newfoundland sovereignty from the North American mainland.

AUSTRALIA'S ECONOMY CAMPAIGN

Public opinion and authority united during June to set the Australian financial house in order, and, in spite of Premier Lang of New South Wales, something closely approaching general agreement was reached. The chief agent of reform was the so-called Copland Economic Committee, a group of economists sponsored by a subcommittee of the Federal Loan Council, but their report was handled by the Conference of Premiers called by Prime Minister Scullin of the Commonwealth, instead of by the Loan Council. Mr. Lang, secure in his majority in New South Wales, did his best to win radical support by shrewd demagogic appeals, but when public opinion in his own State was highly critical of him he could not stand out against all the rest of Australia. On June 25 he proposed to levy in New South Wales a 5 per cent tax on all incomes up to \$20 a week and 25 per cent on all over \$50 a week, but his hitherto docile Cabinet repudiated the measure.

The magic formula for the nation was "20 per cent reduction" in wages, expenditure, interest rates, pensions and social services, and these orthodox proposals for economic stability were unsuccessfully opposed by Mr. Scullin, Mr. Theodore, the Federal Treasurer, and Mr. Lang. The conference sat for about two weeks and took the unusual step of securing the attendance of Mr. Lyons and Mr. Latham, leaders of the Federal Opposition, in order to reach unanimity on the legislation to be passed by Federal and State Governments. The chief objects of debate were the reductions in all governmental expenditures (including pensions and maternity allowances) and the enforcement (by a penalty of 25 per cent confiscation) of the conversion of all internal loans to an average rate of 4 per cent. The usual appeals to sympathy for ex-soldiers, aged invalids and mothers were made, and Mr. Lang summed up the radical view of conversion by saying: "You go down Wages Street slashing as you like, but when you come to Bond Street, you say, 'Please may we cut?'"

Influenced perhaps by the municipal elections in Melbourne and the Legislative Council elections in Victoria, which went heavily against Labor, and assisted by the opinions of the Opposition leaders, economic orthodoxy won the day on June 10, and the conference adjourned for legislative action. It was agreed that conversion of internal loans (Federal and State) amounting to \$2,750,000,000 at rates averaging 4 per cent (interest being cut by 22½ per cent) should be voluntary, except that dissent must be notified within fourteen days to prevent automatic conversion. Special provisions were made for bonds yielding less than 4 per cent, tax-free securities and interminable bonds. The economy campaign was gradually outlined, and by it the present annual deficit was to be reduced from \$195,000,000 to \$70,000,000 within a year and budgets to be balanced in three

years. Wages generally had already been reduced by about 23 per cent, and now governmental salaries were reduced by 20 per cent on an average, pensions by the same amount except in special cases and invalid old-age pensions and maternity allowances by 12½ per cent.

It was agreed that the banks would carry governmental overdrafts, advance further sums to meet deficits and assist in coping with unemployment, on the understanding that such borrowing should not exceed \$250,000,000. To increase revenue, the sales tax was raised from 2½ to 4 per cent, the primage customs duty from 4 to 10 per cent and the income tax was adjusted to bring in an additional \$7,500,000 annually. Mr. Scullin secured the support of the Labor caucus for this scheme. When the \$25,000,000 due in London on June 30 was paid, securities rose in price and the situation was greatly eased.

The year of crisis was interestingly revealed in the statistics of external trade. When adjustment had been made for the fall in exchange, imports for the eleven months ending June 30 as compared with the same period a year ago had fallen from \$618,365,000 to \$286,500,000, and exports from \$580,855,000 to \$455,130,000. The favorable balance was an encouragement toward improvement of exchange rates and ultimate economic revival.

The British Government decided to follow its practice in Canada and South Africa by appointing a High Commission in Australia.

PLANS FOR AN INDIAN FEDERATION

Lord Willingdon's efforts to speed up preparations for the adjourned Round Table Conference by having the Indian members of the Federal Structures Committee sail for England again in mid-June were unsuccessful. Notwithstanding this, the committees set up by the Indian Government were busy and had made prog-

ress in collecting information relating to the Indianizing of the army, the erection of the separate Northwest Frontier Province and the financial aspects of the separations of Orissa and Sind.

The Working Committee of the All-India Moslem Conference began to reflect the progressive stiffening of the Moslem attitude by passing resolutions ordering their delegates to the adjourned conference to withdraw if their demands were not met, and to refuse to accept a responsible Federal government for India if joint electorates with less than the Easter demands for Moslem representation were proposed. Renewed Hindu-Moslem clashes in Cawnpore on May 30, involving four deaths and twenty-eight injured, gave point to the gravity of the issue. Within the Congress party there were serious divisions of opinion, but toward the end of the month there was apparent an effort among the leaders to demonstrate their unity in the peaceful attainment of their ends. Gandhi spent a great deal of time and energy going here and there to arbitrate land and rent disputes, but he had nothing important to say of the future. The Working Committee ordered him to go to London whether the communal problem was solved or not, a decision which Gandhi described as a personal defeat after determined action on his part.

The most serious result of the pause, however, was the dramatic threat to the whole new constitution caused by the public disavowal of the federal scheme by the Maharajah of Patiala, late Chancellor of the Chamber of Princes. It will be remembered that he was supplanted as Chancellor by the Nawab of Bhopal at the election held after the return of the Round Table delegation from the Native States, and personal rancor over this unexpected defeat seems to have played its part in his reversal of attitude. The crucial character of the pronouncement lay in the fact that the adhesion of most of the Princes to the

federal project for all India was its best guarantee of success.

Prime Minister MacDonald announced on June 26 that the British Government was prepared to underwrite the credit of the government of India, whose last loan had been only 38 per cent subscribed, in order to prevent financial uncertainty from complicating the constitutional task.

THE REBELLION IN BURMA

The government of Burma was not sure whether to welcome the approach of a three months' truce owing to the monsoon or to fear it lest it allow a reorganization of the rebellion. It brought three more battalions from India to make up a brigade of four, and prepared for systematic organization of military control, up-country as well as in the south. Ordinary cavalry horses are subject to a disabling disease known as surra during the wet season and therefore the infantry and Burmese military police were to be mounted on Burmese ponies. A few rebel groups were encountered in the country districts; dacoities continued and were terrorizing the landlords. An attempt was made at train-wrecking and economically distressed villagers joined in some of the attacks.

In the communes there were attacks on Indian and Chinese merchants, and Indians left in thousands for home. The economic situation, unfortunately, remained unchanged and the agricultural villagers found it almost impossible to pay their rents.

Between June 16 and June 27 delegates representing Barbados, British Guiana and the Windward and Leeward Islands, met at Port of Spain, Trinidad, as an intercolonial conference to work out trade policies. The close relations with Canada which have been notable in the last ten years are to be continued. Efforts will be made to set up uniform tariffs and establish with Canada (and possibly Australia) the preferential arrangements which it has been impossible to make with the free trade United Kingdom.

The new Governor of Bermuda, Sir Thomas Cubitt, on June 28 entertained a notable Negro member of Parliament and public servant at luncheon. Such a recognition of social as well as legal equality would have been a matter of course in the West Indies, but it was without precedent in Bermuda.

France Haunted by German Spectre

THE last month of the French Parliamentary session was replete with the usual incidents, interpellations, party squabbles and votes of confidence. Begun in an atmosphere charged with suspicions and fears, caused both by German manifestations and by the German economic menace, it ended with the dramatic climax of President Hoover's appeal to reason with all its consequences and complications. Over it all hovered the spectre of Germany which is never absent from the French mental background. (See articles on the Franco-

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German feud on pages 646-669 of this magazine.)

June 13 saw President Doumergue hand

over his powers to President Doumer. M. Laval, according to precedent, offered the resignation of his Cabinet to the new President, who asked him to continue in charge of the government.

On June 16 the message of the new President was read before the Chamber and the Senate. It contained, besides the usual pledge of loyalty to the Constitution and to the principles of French democracy, a rapid survey of



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the economic disturbance caused by the problems of the war settlement. For the solution of these problems he expressed his faith in the League of Nations and the necessity of "frankness, good faith and a real desire for understanding."

The irrepressible Franklin-Bouillon once more raised the question of what he termed the "necessity of putting an end to the ambiguous situation resulting from the composition of the Ministry." This was, of course, a renewed attack on Briand. The only novelty of the speech was in the statement that, at Versailles, three Ministers, Messrs. Flandin, Maginot and Tardieu, had recommended their friends not to vote for Briand. M. Laval contented himself with a short but skillful rehearsal of the previous votes of confidence, the uniform support of M. Briand's policy under Poincaré, Tardieu and himself, the promise never to commit the signature of France without the previous consent of Parliament and a strong protest against the statement by a speaker who had opposed "the party of peace" to what the Premier styled a non-existent "party of war." The ambiguity of the situation was not relieved by the two ensuing votes in which M. Laval received majorities of 43 and 52 respectively, the

Radical-Socialists persisting in their refusal to support the government, while still defending the policy of its Minister of Foreign Affairs, while the majority, lukewarm or hostile to M. Briand, stood by the Cabinet that has its confidence.

The controversy over the foreign and especially the German situation continued to be the main issue between the parties, one clamoring for peace and disarmament while the other pointed to all the signs that seem to threaten peace and weaken security. The latter have found useful material in recent German events to arouse feelings of suspicion always latent in French public opinion. After all the uproar caused in March and April by the so-called "Anschluss menace" was beginning to subside, the German veterans' organization, known as the Steel Helmets, staged, on May 31, at Breslau, a huge demonstration that was interpreted in France as another sign of "war spirit."

Henri Lorin, a Deputy from Bordeaux, put a question to the Minister of Foreign Affairs who, while acknowledging that the spirit of conciliation was not universal in Germany and confessing that he had communicated his disappointment to the Reich, asked the House not to disregard the sentiment of another, less bellicose Germany. And the Alsatian Socialist Deputy Grumbach, who closely follows German events, called attention to another manifestation just as significant held a few weeks before at Leipzig, where 150,000 Socialists, between the ages of 16 and 25, voiced their will to peace.

The peace forces of France already heard from on Briand's return from Geneva made, on June 14, another imposing demonstration. In the little town of Gourdon, electoral district of M. Malvy in the Southwest, a group of veterans had invited to their banquet the man who symbolizes for the Left the policy of international understanding. In the presence of a crowd of 20,000 people drawn from the vil-

lages and the small towns of this intensely republican section, M. Briand gave one of his fervid peace orations and found, as usual, immediate and enthusiastic response. Several members of the majority of the Chamber expressed their displeasure at what they considered an anti-governmental manifestation in which a member of the government seemed to them out of place.

NAVAL ARMAMENTS AND SECURITY

The problem of security, coupled with that of naval competition, came up in Parliament on June 18 and July 2 and gave rise to a debate and to votes which, both in the Chamber and in the Senate, were very significant. The subject was the naval construction program for 1931-32. In addition to various smaller vessels called for by this program the navy asked for the building of a 23,000-ton cruiser of a type which could outclass the recently built 10,000-ton armored cruiser *Deutschland*, which has set all the admiralities guessing owing to its speed of twenty-seven knots and its cruising radius of 18,000 miles. The Deputies, after a lively discussion led by Paul-Boncour, Loucheur and Herriot, were quite willing to vote for the 7,500-ton cruisers, scout cruisers, transports and gunboats asked for. However, they refused to rush, without further study, into the building of this supercruiser, because they considered a return to the obsolete policy of capital ships unjustified and also because such action would launch France into a race of competitive building especially inopportune on the eve of the disarmament conference.

The government's proposal, amended by M. Loucheur to reserve for a later date the determination of the tonnage and the characteristics of the capital ship asked for, was voted by 417 votes against 161, some forty Radical-Socialists joining the 109 Socialists in their opposition to the whole project. The Senate, however, on July

2, reversed the decision of the House by approving, by 165 to 131, the plea of the navy for the right of laying down, as soon as possible, a battleship of the line. Charles Dumont, arousing the fears of the Senate over the *Deutschland* and over the German construction program, which exceeds, he said, by 25 per cent the tonnage allowed by the Versailles Treaty, obtained this return to a policy abandoned for seventeen years, during which the French concentrated on purely defensive vessels. This decision showed that the distrust of Germany's intentions is as marked in the Senate as in the more impulsive lower House, since, in spite of the \$80,000,000 deficit in last year's budget recently published, and other deficits in sight, they did not hesitate to embark on a naval expenditure which the Socialist Bedouce estimated at \$160,000,000.

FRENCH REACTION TO HOOVER PROPOSAL

It is not surprising that, coming as it did in a period of somewhat uncertain Franco-German relations, when the Nationalists on both sides of the Rhine had created an atmosphere of mutual distrust and recrimination, President Hoover's note of June 20 for an international debt moratorium was met in Paris with mixed feelings. (See article on pages 641-645 of this magazine.)

On June 26, after the French Government reply to Washington had been published, the Deputies witnessed a debate lasting until the small hours of the next morning, where every argument was heard, from those of the extreme Nationalists of the *Marin* type to the more favorable ones voiced by the Socialists. M. Dubois, former president of the Reparation Commission, recited once more the oft-told story of the gradual reductions suffered by the French reparation claims. M. Marin upbraided the Briand policy and questioned the dis-

interestedness of the American gesture, since, according to his reckoning, the United States are to gain more by the moratorium than they lose. The Radical-Socialist Margaine expressed his doubts about the seriousness of the German financial collapse and repeated the customary remarks about the extravagant policy which had dragged Germany into her troubles. After Minister of Finance Flandin and Premier Laval had explained the government's stand, both were able to go to the conference with the American representatives armed with a vote of confidence of 386 to 189, which was strengthened a few days later by an impressive majority in the Senate. The victorious motion, which had the full support of the Socialists, but was opposed by 98 Radical Socialists, "approved the reply made by the government to the proposal of the President of the United States" and counted on it "to maintain the intangibility of the unconditional annuities accepted at The Hague by the signatories of the Young Plan."

The only outright supporters of the Hoover plan were publicists who represent a relatively negligible part of the French electorate. One, Léon Blum, the Socialist leader, wrote in his paper *Le Populaire* that he was dumfounded by the "reflex of ill humor and distrust with which the great part of the French press received the gesture of Mr. Hoover." The other, Gustave Hervé, the former anti-militarist, now an avowed Nationalist, who has been waging in the midst of a conspiracy of silence a campaign for Franco-German rapprochement and the amendment of the treaty of Versailles, greeted the American note with exultant cries of approval and upbraided both journalists and Parliamentarians for what he termed their narrowness of vision and their cowardice.

The death took place on June 22 of ex-President Armand Fallières, at the age of 90.

The textile strike in the region of Roubaix and Tourcoing which started on May 18 as the result of wage cuts was at first peaceful. However, under the incitement of Communist agitators, some serious rioting occurred on June 12 and 13. The attempts at conciliation made by Minister of Labor Landry were long quite unavailing. On July 5, however, ninety-four independent factories, with 52,000 employes, reached an accord with their workers, the others remaining on strike.

The government had to go to the rescue of the French Line, which has been hard hit by the world depression. On July 3 the Chamber adopted, by a vote of 500 to 78, the proposal to guarantee a \$6,000,000 bond issue. In the debate that preceded the vote one Deputy, M. Stern, claimed that the company's liabilities were nearly \$40,000,000, while another member, M. de Monzie, estimated them to be between \$25,000,000 and \$30,000,000. According to the plan voted, the government will take a mortgage on the ships and buildings of the company and will have a controlling share of the stock.

THE NEW BELGIAN MINISTRY

The Renkin Ministry which succeeded on June 5, after a sixteen days' interregnum, the long-lived Jaspas Cabinet did not meet either in the press or in Parliament with a very warm reception. The Ministerial declaration was read on June 11 and it was only on June 18, after protracted debates in which all the leaders participated, that the Premier received a vote of confidence by 95 votes against 77, five members (Socialists and Frontists) abstaining. While the new Cabinet is, like its predecessor, a coalition Cabinet with seven Catholics and five Liberals, the Catholic trend is more marked, and the Catholics with strong Flemish leanings are in the majority.

For the first time the Ministerial declaration was read both in Flemish

and in French, marking the serious progress that the Flemish claims have made of recent years.

The question of national defense over which the Jaspas Ministry was defeated was one of the first that the new government considered. It asked for an appropriation of 210,000,000 francs for the fortifications of the eastern frontier, reserving for a later date the adoption, among the many

offered, of the plan of defense that will best suit the needs and the possibilities of the country.

The Belgian Colonial Office received on June 26 the announcement of a revolt of natives in the Kickwit district of Kwango in the Western Belgian Congo. The natives, excited by their medicine men, attacked a patrol of Belgian soldiers who opened fire, killing many natives.

Germany's Respite Under Hoover Plan

THE announcement on July 6 that an agreement had been signed by France and the United States in regard to President Hoover's proposal for a moratorium on interallied debts and German reparations (see page 743 for later developments) brought relief in the nick of time for Germany's financial crisis, which had been growing rapidly worse and worse during June. The comment of Foreign Minister Curtius, when awakened at midnight with the news, expressed the general feeling in Germany in all circles except the Communists and the Hitlerites: "It was the very highest time, not only for us, but for all concerned. What Andrew Mellon did is simply splendid. To think that this fine old gentleman came over here expecting to spend most of his time with his son, and instead plunged into the intricacies of these discussions is simply great." Hoover's name has again become one of the most popular in Europe, and talk of Uncle Shylock instead of Uncle Sam has ceased. Not the least important aspect of his great move, quite aside from timely aid that it has brought to the German financial crisis and the stimulation it has had in breaking the general pessimism and thus giving a stimulus to economic

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recovery in the world, is the fact that it will have an enormous educative effect on the American people. For

the first time there has been aroused a general and intelligent interest in America in the great and still unsolved problem of interallied debts and reparations.

The financial crisis in Germany resulted from the enormous withdrawals of gold from the Reichsbank during June to meet the demands for foreign exchange. During the month the drain amounted to about 1,400,000,000 gold marks (about \$330,000,000), reducing the ratio of coverage for the bank's circulation of paper money from 59.2 per cent on June 1 to 40.1 per cent at the end of the month, that is, to within one-tenth of 1 per cent of the minimum allowed by the statutes of the bank. People began to have fears for the value of the paper money. The terrors of the inflation and "flight from the mark" in 1923 are still remembered as a nightmare in Germany. To protect the gold reserves of the Reichsbank the central banks of the United States and various European countries arranged on June 16 for a month's credit of \$100,000,000, but even this was quickly exhausted.

The reasons for this sudden drain



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upon the Reichsbank's gold reserves were partly political and partly economic. Among the political influences were the failure of the visit of Chancellor Bruening to Ramsay MacDonald in England to bring about any definite results; the drastic increase of taxes decreed at the same moment by the Bruening Cabinet to save the government from bankruptcy, which embittered his political enemies at home, especially the Communists and the Hitlerites, who broke out into renewed defiance and disorders, causing in some minds new fears of a political revolution; the fear that the Reichstag would come together again and interfere with Bruening's heroic efforts to balance the budget; the bellicose meeting of the Steel Helmets at Breslau, and perhaps the renewal of the Russo-German treaty of amity of 1926. All these things tended to create doubt at home and abroad as to Germany's stability and as to the ability of Bruening to continue his policy of moderation, conciliation and fulfillment.

Among the economic causes of the withdrawals was the fear that Bruening would be forced to invoke the moratorium on reparations provided for by the Young plan in case of extreme necessity but very detrimental to Germany's credit; fears that Ger-

man banks might develop the weaknesses which had brought the chief bank of Austria to the verge of insolvency, as noted below; withdrawals of foreign bankers who feared for the safety of their short term credits, and possibly by the French for political purposes, and withdrawals by Germans who sought to place their funds abroad for greater safety.

President Hoover's proposal for a moratorium came just in time to strengthen the Bruening Cabinet politically and to check somewhat the withdrawals of gold from the Reichsbank. It frees the German budget from the heavy burden of the postponable part of reparations, and provides that the non-postponable part shall be paid into the Bank for International Settlements to be reinvested at once in guaranteed bonds of the German Railway Company. It preserves German credit and helps strengthen the moderate parties.

In the controversy between France and the United States as to the terms of the adoption of President Hoover's proposal Germany wisely and discreetly took no part. Her only move was a friendly gesture toward France in the shape of Chancellor Bruening's declaration that none of the money of which the payment was postponed under the moratorium proposal should be used in any way for armaments—only for economic purposes which should aid Germany's financial distress and help to restore economic prosperity. This is a point which France also insisted upon in her final agreement with the United States as one of the conditions of her acceptance of President Hoover's plan.

In the course of the crisis Chancellor Bruening gave further evidence of his firmness and steady nerves. He threatened to resign if the Reichstag steering committee insisted on the reassembling of the Legislature with the inevitable consequence of interfering with his tax reforms; as a result the committee voted 11 to 12 against calling the Reichstag to-

gether. He has also dealt with the Hitlerites. Adolf Hitler's defiance of the government ban on the wearing of the National Socialist brown shirt in public was answered on July 5 by a surprise raid on the Brown House in Munich, Hitler's headquarters, and the carting off of his whole guard to police headquarters. Angry Nazis endeavored to mass in different parts of the city, but every time they were quickly dispersed or arrested. It is also rumored that the police authorities of Prussia are contemplating the advisability of suppressing the German Communist party as a result of a sudden recrudescence of mob violence in the large industrial centres.

The courts also have shown vigor. Two leaders of the Steel Helmets have been fined 800 marks each for slandering the German Republic. And General Ludendorff was fined 500 marks and costs in a libel suit brought against him by Count Dohna, formerly Grand Master of the German Freemasons, an octogenarian living in retirement in Switzerland. The suit was instituted because Ludendorff had published in his paper, *Volks-warte*, an often-repeated but wholly legendary assertion that Count Dohna, as head of the Freemasons, knew as early as 1911 of the plans to assassinate the Austrian Archduke, Franz Ferdinand, and precipitate the World War, but had done nothing to warn the authorities.

The movement toward making Germany more of a unitary and less of a Federal State has gained another point with the abolition by Bavaria of its Embassy in Berlin in response to a corresponding action by the Prussian Government. Prussia, which has taken the lead in this movement for economy and restriction of States' rights tendencies, has now completely unburdened itself of its own share in the anachronistic system of intra-Federal diplomatic representation; but eleven States of the Reich still maintain Ministers in the diplomatic corps at Berlin. These, however, it is

expected, will soon be discontinued, the interests of the States being looked after by their delegates in the Reichsrat (National Council).

AUSTRIAN CABINET CRISIS

Chancellor Ender's Cabinet resigned on June 16. It had been already weakened a fortnight earlier by the resignation of Dr. Hans Schuerff, Minister of Commerce, because he was opposed to the projected 5 per cent cut in salaries of State employes, thereby following the wishes of the Pan-German party who largely hold government offices. Dr. Schober at first intended to follow the example of his colleague, but was convinced by President Miklas, and even by the Pan-German party, that he must remain in the interest of the important international questions pending and the eventual possibility of an Austro-German customs union. The attitude of the Pan-German party in opposing the 5 per cent cut in official salaries, while at the same time continuing to support Schober and the Cabinet, was obviously intended to win for the party the votes of the State employes.

The immediate cause of the resignation of the whole Ender Cabinet on June 16 was its decision to guarantee all the foreign liabilities of the Austrian Bodencreditanstalt (Agricultural Credit Bank) which had been in difficulties for several weeks. The guarantee was given in return for foreign bankers agreeing to renew for two years their short-term loans to the Creditanstalt, totaling some \$81,000,000. But this action led to the resignation of Franz Winkler, Minister of the Interior, who was opposed to having the State assume such heavy liabilities on behalf of foreign capital. His withdrawal brought the downfall of the whole Cabinet.

During the ensuing Cabinet crisis, which lasted several days, vain efforts were made by Professor Guertler of Graz, former Finance Minister, and

by Mgr. Seipel, former Chancellor, to form a new government. Seipel's attempts failed because he wanted to include Dr. Kienbock as Minister of Finance, but the latter was not acceptable to the Pan-German or the Peasants' party, because he had been too intimate with the former directors of the Creditanstalt; it was feared he would be too sympathetic to his banking associates in the investigation of the bank's affairs for which the public has been clamoring.

The best-known man in the new Cabinet is Professor Joseph Redlich, who for many years has been one of the distinguished members of the Harvard Law School and is widely esteemed for his writings on comparative jurisprudence and administration. The inclusion of his name seems to foreshadow a program of rigid economy, which he will be all the more able to carry out, as he is not closely identified with any of the existing local parties. It may also mean that the Austro-German customs union is less likely to take place. The make-up of the new Cabinet is as follows:

Dr. KARL BURESCH—Chancellor.

Dr. JOHANN SCHOBER—Foreign Affairs.

FRANZ WINKLER—Interior and Vice Chancellor.

Dr. JOSEPH RESCH—Social Welfare.

HANS SCHUERFF—Justice.

KARL VAUGOIN—Army.

EDWARD HEINL—Trade.

ENGELBERG DOLPHUS—Agriculture.

EMMERICH CZERMAK—Education.

Dr. JOSEPH REDLICH—Finance.

The return of Franz Winkler to his former position in the Cabinet had been made possible by the quick and generous action of Great Britain during the Cabinet crisis in advancing an interim credit of \$21,000,000 to Austria, which she needed to cover the capital assistance already given to the Creditanstalt and which she intends to raise by an issue of treasury bonds. The British advance credit, available immediately, long before the money from the bond issue would be forthcoming, was all the more welcome, inasmuch as France had withheld giving assistance, wishing, it is said, to

extort as the price of her aid a promise on Austria's part to abandon the projected Austro-German customs union, the legality of which is now being passed upon by the World Court.

Acting on the advice of the representatives of foreign creditors, the new Cabinet has extended the government's guarantee of the foreign liabilities of the Creditanstalt to the domestic liabilities as well. This brings the State's liabilities for the distressed bank up to a total of about \$145,000,000. If this had been done weeks ago, when the difficulties of the bank first became public, it is possible it would have increased confidence on the part of Austrian depositors, and checked the run on the deposits of the Creditanstalt.

As the Austrian State has now assumed such a large total liability for the Creditanstalt, an outcry is being made in Socialist and radical circles against the government's determination to allow the bank to remain as a private concern, in whose management the representatives of foreign creditors are allowed to have far more voice than Dr. Alexander Spitz Mueller, the solitary representative of the government. In any case, a new director will be chosen, and the new management will probably signify the end of the rule of the Austrian Rothschilds, so mighty in the days of the old empire.

A projected Socialist broadcast from Holland in commemoration of the murder of Matteotti, the Italian Socialist leader, by the Fascists in June, 1924, with a speech by Secretary Schevenels of the International Federation of Trade Unions, scheduled for June 10, was prohibited by the Radio Commission of the Netherlands.

For the first time since the World War, Queen Wilhelmina made a visit to Paris and other parts of France. The principal object of her trip, in which she was accompanied by her daughter, Princess Juliana, was to in-

spect the Colonial Exhibition, where Holland was represented by a magnificent pavilion built in the Dutch East Indian style of architecture.

The Catholic Action Dispute in Italy

IN Italy the quarrel with the Vatican has increased in intensity and bitterness, culminating in a new crisis by the publication on July 4 of a special encyclical letter denouncing the Fascists' pretensions, especially the claims in regard to the education of the youth. On this point Mussolini followed up his protest of June 6 against the interference in a purely Italian dispute by the Vatican—now a foreign State—and again raised objection to the Pope's propaganda to enlist the sympathy of the Catholic world at large against the Italian Government.

Neither party showed any disposition to retreat on the major issues. It is true that the Vatican removed Mgr. Pizzardo, who was particularly obnoxious to the Fascists, from the presidency of the Catholic Action, and transferred the direction of the clubs to the Bishops, but it also reiterated its denial of the political activities of the Catholic Action, denounced the act of the government as a violation of the Concordat and, after forbidding religious processions for the month, imposed an interdict on the parishes that held them in defiance of the Papal ban. In the circumstances the repeated announcements by the Fascist press that negotiations were proceeding were plainly gratuitous and were soon met by a flat denial by the Vatican.

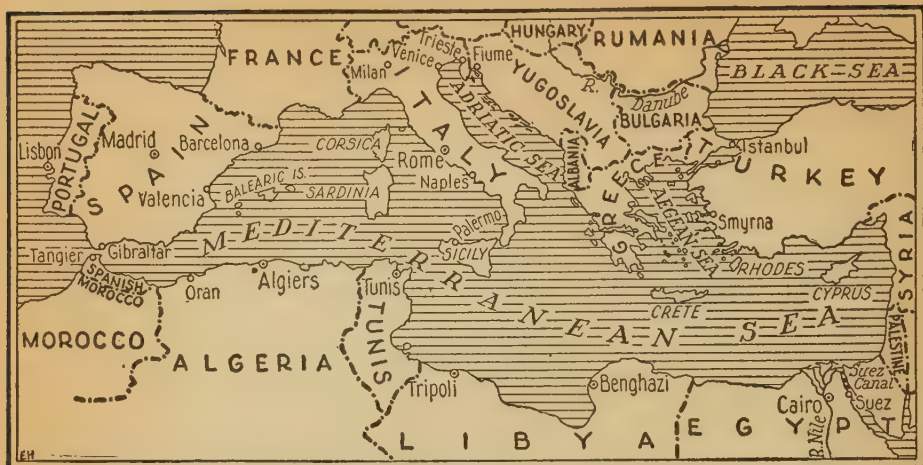
The quarrel over the Catholic Action involves not only the political activities of the organization which Mussolini says numbers among its members many of the leaders of the former political Partito Popolare, "who have it in for us," and who have been using the Catholic Action as a cloak for their political machinations,

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but also the more serious dispute over the education of Italian youth.

As to the former, *Lavoro Fascista* on July 7 made public alleged revelations of a political plot for a revolt against the Fascist régime on the part of Mgr. Pizzardo, Don Sturzo, former head of the Popular party; Augusto Ciriaci, president of Catholic Action, and Count della Torre, editor of *L'Osservatore Romano*. All this, if true, is a violation of Article 43 of the Concordat by which the Catholic Action received recognition only on the basis that it "carry on its work independent of all political parties, and under the immediate director of the hierarchy of the Church for the teaching practice of Catholic principles."

The quarrel over education presents more serious difficulties, despite the recent editorial to the contrary by Arnaldo Mussolini, brother of the Duce, in *Il Popolo Italia*—difficulties which involve principles on which the Church has for centuries taken a definite stand and which cannot be reconciled with the expressed views of Mussolini. To him the claims of the Church in the matter of education run counter to the rights of the State. "Religion," he declared in an interview on June 18, "is not only indispensable for the people but for the élite and for knowledge which it completes. The children may be taught their catechism. * * * For that I let the priests work; that is religion. The rest is politics, and politics, that's me. I will not admit that anybody, absolutely anybody, touch in any way that which belongs to the State. The child as soon as he is old enough to learn belongs to the State alone. No sharing is possible."



THE MEDITERRANEAN COUNTRIES

The Pope replied in the encyclical of July 4, already mentioned. To avoid all possibilities of Fascist censorship it was sent abroad and published in Paris and London before it was distributed in Rome. It makes categorical denial of Mussolini's statements and claims that "a conception of the State which makes a young generation belong to it without any exceptions, from the tenderest years up to adult life, cannot be reconciled by a Catholic with Catholic doctrine." The Church and the Pope cannot be restricted, it declares, "to these external practices of religion."

In other directions Italy's international relations improved somewhat, especially with France, through a tentative understanding on naval matters. But other causes of friction continue in the disputes over Tunis, Nice, Ethiopia, the license of the French press in its criticism of Mussolini, in the asylum afforded Italian political refugees and the annoying Franco-Yugoslav alliance.

In its economic life signs of improvement appeared despite the general depression. The new loan of 4,000,000,000 lire to retire the treasury obligations due in November was oversubscribed. Economies in government expenses and watchful care in the collection of taxes have resulted

in a considerable decrease in the budget deficit. A similar betterment in trade balance has also been effected, and it is hoped that the commercial agreements with Russia, Austria and Hungary will help further. The treaty with Russia in particular is regarded as of supreme importance, Mussolini looking to it, not only for a greater volume of trade with the Soviet Union, but also as a means of strengthening Italy's commercial relations and economic interests in the Eastern Mediterranean.

Early in the month the news of the sentence of five intellectuals, among them Ernesto Rossi, Professor of Economics at Bergamo, recalled the arrest in November last of about twenty persons accused of being leaders of an anti-Fascist organization called "Justice and Liberty," with active affiliations in London and Paris. Entirely different in character was the trial and conviction of 179 of the Sicilian Mafia, or "Black Hand," whose terrorist activities Mussolini determined in 1926 to suppress. The difficult and dangerous task was entrusted to Cesare Mori, Fascist prefect of Palermo, who for the past five years has been gathering evidence of murders and blackmail which had already resulted in scores of convictions. With the sentencing of the

groups last month the infamous Sicilian Mafia is supposed to be finally disposed of.

Of especial importance in this connection is the new Italian penal code which went into effect on July 1. It represents the arduous labors of the commission over a period of six years and embodies many up-to-date ideas and theories on criminal law. The death penalty which was abolished in 1890 is restored.

SPANISH ELECTIONS UPHOLD REPUBLIC

During the month the Spanish Republic was called upon to stand the acid test of a national election, the first since Primo de Rivera set up the dictatorship eight years ago. That the republic was confirmed with unexpected success is already a matter of history, for on June 29 it received nation-wide endorsement in the overwhelming victory of the Republicans in the elections for the constitutional Cortes. The verdict upon which Alfonso XIII had vainly based his hopes was pronounced against him. What he chose to call his temporary surrender of authority at the time of his flight was made permanent by the voice of the nation.

Considering the importance of the issues involved in the election, there was relatively little disorder, though riots and violence occurred in a number of places. Twenty-five parties put up candidates for the Cortes. Among them were three major groups, first, the Conservatives, composed of the *Accion Nacional*, a Conservative organization supported by Catholics, the Republican-Liberal-Democratic party, supported by many Catholics and business interests and the Conservative Republican party representing the right wing of President Zamora's supporters; second, the Centre, consisting of the remnants of the once powerful Federal party and the Radical party founded by Alejandro Lerroux twenty years ago; and third, the parties of the Left comprising the

Accion Republicana, the Radical-Republican-Socialists and the Socialists, the best organized party in Spain and staunchly supported by the Labor Union. (See article on pages 717-720 of this magazine.) At the two extremes were the Monarchists and the Communists, both unexpectedly weak, the former with only five Deputies, chiefly from medieval Navarre, where the royalist sympathy was not even for Alfonso but for his cousin, Don Jaime, the Carlist pretender.

Every member of the government was elected and the Moderate Republicans, consisting of a coalition of the Conservative Republicans and the right wing Socialists, swept everything before them. The party with the largest number of Deputies is the Socialist. Next in point of numbers and in a sense ahead of it in vigor and aggressiveness of leadership is the Radical party. Elected in nine districts and possessed of a powerful personality, its head, Alejandro Lerroux, bids fair to become the first Prime Minister under the Constitution. In Catalonia President Macia's "home rule" party won the enthusiastic support of the Catalans despite the stirring appeals by the leaders from Madrid for a strong national government. Outstanding among the newly elected Deputies, aside from those already known through their share in the Provisional Government, are Major Ramon Franco, Spain's popular Communist aviator; a son of the novelist Ibañez; and, despite the fact that women could not vote, two women, one, Victoria Kent, with English connections and head of the prison system, the other, Clara Campoamor from Madrid Province.

The latest returns indicate an overwhelming majority among the 470 Deputies for the moderate Republican Coalition. Whether the Republican-Socialist Coalition will hold together remains to be seen. Already signs of disagreement have arisen, and Prieto, the Socialist leader of the latter, has declared that his party will interpret

the strong support it obtained at the polls as a mandate to insist on the republic adopting a more radical policy. In general there is agreement on the main features of the Constitution, which is expected to follow closely the ideas and principles already promulgated in the decrees of the government.

These principles have been formulated in the preliminary draft proposals and issued on June 19. One of the most striking proposals is that for the autonomy of provinces, under which, contrary to the American system, all powers not specifically granted to the provinces are to be reserved to the Federal Government. Provinces may become autonomous (a) when three-fourths of the interested townships propose it, (b) three-fourths of the voters of a province approve it, (c) the Provisional Legislatures approve it, (d) the Cortes approves it as a law of the State. Other important provisions are the abolition of State religion, recognition of equality of sex and free and obligatory primary education. The Chamber of Deputies is to be composed of representatives elected by universal suffrage, and all citizens are eligible, regardless of sex. The Senate shall have 240 Senators, 60 elected by employers' associations, 60 by agricultural, industrial and mining groups, 60 by free associations of professors and 60 by universities and cultural and religious associations. An absolute majority of both houses shall be necessary to override a Presidential veto. The President shall be elected by joint session of both houses, two-thirds of the members constituting a quorum, and a majority of votes being necessary to elect. The President's term shall be for six years. The Cabinet shall be chosen in the same manner. A Supreme Court, designated by the Chief of State, shall be formed from the various judicial colleges and organizations. The president of the Supreme Court shall hold office for ten years and the judges for life.

Manifestly the most perplexing

question to be dealt with by the Cortes is that arising out of the demands of the Catalans for autonomy, demands likely to be strengthened still more by similar demands on the part of Andalusia, the Basque region and Galicia. Having been elected on a "States' rights" platform, General Macia, Acting President of Catalonia, and his supporters are insisting on a very large measure of independence. At the opening meeting of the Generalidad of Catalonia, which assembled on June 6 for the first time in 400 years, Macia urged the forty-five members to preserve cordial relations with Madrid, but also "to restore Catalonia's rightful freedom, of which she has been robbed for so long a time."

In the face of the separatist tendencies, even the troublesome question of Spain's relations with the Vatican and the place of the Church in the new republic is likely to cause very little division. The parties in control are apparently agreed on a general program involving the separation of Church and State, with complete freedom of worship as promulgated in the early days of its existence by the Provisional Government, making religious teaching both in State and Church schools optional with parents, an appropriation of \$230,000 toward school buildings, and a vigorous attack upon illiteracy. The assumption by the government of all control over 600 castles and cathedrals and works of art in danger of being lost, points to a possible confiscation of Church property.

In the meantime the firmness of the government in pursuit of its policy came to light in the dramatic expulsion of the Primate Segura from the country on June 15 after his return from a visit to the Vatican. The unfortunate result of his pastoral letter in May had made him the object of particular dislike. This, added to the knowledge of his hostility to the republic, led to his being sent back over the French frontier.

While the problem of Constitution

making will occupy the nation's attention, questions of social reform, like the land question, loom large on the horizon. On this question, too, the Provisional Government has outlined a comprehensive program looking toward securing for millions of Spanish peasants land appropriated from the big estates of the aristocracy and the Crown with the financial assistance of the State. Mindful of the part played by the army in Spanish politics in the past, the Provisional Government has undertaken to prevent the establishment of a military dictatorship in the future by abolishing the military regions into which Spain was divided, cutting down the mobilization centres from seventy to sixteen and all military titles above the rank of Brigadier General, including the famous ranks of Captain General and Regional Civil Governor; and reducing the salaries of reserve officers by 20 per cent unless they accept the government's offer to retire on full pay.

Titles of nobility as an official honor have been set aside, affecting, according to reliable statistics, 97 dukes, 1,310 marquesses, 900 counts, 1,400 viscounts, 148 barons, besides 359 grandes who enjoyed the pic-

turesque privilege of wearing their hats in the presence of the King. A vigorous policy of economy has been introduced. Early in the month Minister of Marine Casare announced economies in the navy alone amounting to \$2,500,000, with the prospect of total economies for the year of \$10,000,000.

In Portugal events have been closely associated with the promised elections in which opponents of the military dictatorship hope to do by ballot what force has repeatedly failed to accomplish. Toward this end Democrats, Socialists, Nationalists and minor parties which were in the past bitter enemies have united under the leadership of General Norton de Matos, one-time Ambassador to Great Britain. On its part the National Union party, which is behind the dictatorship, is doing everything possible to strengthen its position. It points to a record of real achievement, including stabilization of the currency, reorganization of the Bank of Portugal, the lease of the government railroads, road construction, increase in the navy, suppression of the revolt in the islands and settlement of the tobacco monopoly by throwing the trade open,

Hungarian Elections Uphold Bethlen

LIKE Bulgaria and Rumania, Hungary held a general election during the month of June; but, whereas the result in the first of the two countries mentioned was to upset the existing government and in the second to bring into power a party coalition that did not even exist two months previously, the Hungarian contest gave the existing government a fresh lease of life. The election took place by stages on three successive days (June 28-30) under an electoral law of 1926, according to which voting was by secret ballot in cities of more

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than 50,000 inhabitants and "open," that is, public and oral, in country districts, small towns and villages.

There being little effective opposition, the people went to the polls for no real purpose except to determine precisely how large the Bethlen Government's majority should be in the new Parliament.

The two government parties—the Unity and the Christian Socialist—nominated candidates in all districts except eight; the Liberal Opposition party ran candidates only in the urban constituencies, where secret



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voting exists; a newly formed Agrarian party, regarded at least with tolerance by the government, tried its fortunes more widely, as also did the Socialists. Opposition newspapers contained the usual stories of non-governmental candidates being arrested or beaten and of voters being given a choice between paying arrears of taxes and supporting the government.

The results gave the Unity party 155 seats, as against 171 in the old Parliament; the Christian Socialists 30, as against 35, and non-partisans friendly to the government 8, as against 4. The total government bloc is thus 193, representing a loss of 17 seats. The Legitimists increased from 3 to 6, the Right Opposition from 8 to 17, the Bourgeois Left Opposition from 9 to 11, the Agrarian Opposition from 4 to 10, while the Socialists, with 14 seats, showed neither gain nor loss.

The Hungarian Legation at Rome revealed on June 16 that former Empress Zita had invited legitimist leaders to assemble in July at her villa near Parma to discuss negotiations for the marriage of her son, Archduke Otto, to Princess Maria of Italy, and the possibility of placing him on the Hungarian throne. During the elec-

toral campaign Premier Bethlen declared that any attempt to solve the King question now would merely invite civil war or foreign intervention.

The difficulties of Hungarian banks, said to be in part influenced by the collapse of the Austrian Creditanstalt (see Professor Fay's article, page 771), caused the issue of an official statement in Budapest on July 4 to the effect that treasury bonds for several million pounds were to be floated on the international market and that the Bank for International Settlements, with other national banks, had agreed to supply foreign currency to the Hungarian National Bank when and if necessary. The amount to be raised was put at \$25,000,000. Official statements insisted that this money was being borrowed by the Hungarian State and had no connection with the troubles of the Hungarian General Credit Bank, but was needed to tide over the period while the farmers were waiting to sell their crops and before they paid their taxes.

GREEK PREMIER'S ATTACK ON EX-PREMIER

Although momentarily the most stable country of Southeastern Europe, Greece has witnessed the overthrow of both a monarchy and a dictatorship since the war, and a flare-up of animosity between Premier Venizelos and former Premier Kaphandaris in the middle of June stirred some apprehension concerning the political future. M. Kaphandaris is related to the veteran Premier by marriage, and not only was long his personal friend but led his party, the Liberals, while Venizelos was in retirement from 1924 to 1928. It was, however, a Kaphandaris Government that was overthrown when Venizelos returned to office; and in later years no love has been lost between the two men.

Matters were brought to a crisis

in June, when bitter personalities, growing out of the debate on a government bill for censorship of the press, were exchanged, and the aged Premier declared that only the dignity of his office restrained him from boxing M. Kaphandaris's ears or challenging him to a duel. Political leaders endeavored to smooth over the affair, and a "court of honor," composed of members of various parties, requested both combatants to consider the quarrel settled. Ex-Premier Kaphandaris, however, showed no disposition to be reconciled, and on June 18 he gave notice that he and his followers, the so-called Progressive wing of the Liberal party, would absent themselves indefinitely from Parliament as a protest against the stifling of debate at the hands of the government "oligarchy."

Venizelos's friends, though admitting that the government had suffered considerably from wear and tear, apprehended danger from the rupture less from Kaphandaris's immediate attitude than because of the light thrown by the whole affair upon the state of their leader's health and nerves. Venizelos has had a long and stormy career; he has been Prime Minister of his country seven times; he is 67 years old, and he is manifestly worn, both in body and mind. Relief was felt when the tired old man announced his intention to spend a long, recuperative holiday in France.

Originally showing every sign of willingness to accept the Hoover debt proposal unreservedly, Greece finally drew back and, like France, decided to stipulate conditions. In a speech on July 1, loudly applauded by all elements in the Chamber, Premier Venizelos declared that, while the proposal had a noble purpose, its acceptance would cause greater loss to Greece, relatively, than to any other nation.

THE RUMANIAN ELECTION

As a result of the general election held on June 1, the recently formed

government of Professor Jorga received some 48 per cent of the poll, and—by virtue of the peculiar Rumanian law which gives 75 per cent of all seats to the party polling at least 40 per cent of the votes—came off with 291 supporters in a Chamber of 387 members. M. Jorga is himself the leader of only a very small party, but for the purposes of the election he built up a "National Union" embracing not only the old Liberals but also the German party and the principal Jewish organizations and, backed by this novel combination, he marched to complete success. The main opposition group—the National Peasants, who gained a sweeping victory at the election of 1928 and formed the government until M. Jorga became Premier in April—secured no more than 15 per cent of the votes polled and had to content itself with twenty-seven seats. Nine other parties obtained from four to eleven seats each. In the Senate elections which followed, the government's success was even greater.

The newly-chosen Parliament met on June 15 for a session intended to be brief, and was opened by King Carol in person. The speech which he read from the throne embodied not only the government's formal program but also the Sovereign's personal views. No secret was made of the fact that the success of M. Jorga's appeal to the country has at last given Carol the opportunity he has desired ever since his return to the country over a year ago, namely, that of taking an active personal part in the government. (See article by Konrad Bercovici on pages 686-690 of this magazine.) The speech emphasized especially the necessity of cooperation of political forces, simplification of public administration, reduction of expenditures and reform of the system of taxation.

Late in June ex-Premier Maniu unexpectedly announced his decision to retire from politics altogether by giv-

ing up not only his leadership of the National Peasant party but also his mandate as a Deputy in order to retire to his estate in Transylvania.

POLISH GOVERNMENT ECONOMIES

Rejecting Opposition amendments intended to reduce the figure on account of the economic crisis, the Sejm voted a \$327,005,000 budget for the current fiscal year. When, however, the first month of the year (April) showed a deficit of \$2,033,000, the government decided upon rigid economies, and on June 16 Jan Pilsudski, Minister of Finance, announced that expenditures for the year would be cut to \$272,000,000. The 15 per cent cut of all civilian functionaries' pay made in May was followed by a cancellation of all extras, such as allowances for rent. Five of the country's thirteen provinces were abolished, with a corresponding reduction of offices. A general overhauling of State machinery was instituted and the three Ministries of Land Reform, Public Works and Posts and Telegraphs were slated for abolition, together with a number of legations and consulates. In all, it was estimated on June 26 that nearly 70,000 out of a total of 467,000 persons on the payroll of the State would lose their jobs. All capital expenditures, furthermore, were to be postponed.

The unveiling at Poznan on July 4 of Gutzon Borglum's statue of President Wilson was attended by President Moscicki and by Mrs. Wilson. Former Premier Paderewski, whose gift the statue was, was detained in Switzerland by the serious illness of his wife.

WANING ITALIAN INFLUENCE IN ALBANIA

Despite fervent denials at Belgrade, King Zog firmly believes that the attempt on his life during his stay in Vienna four months ago was inspired by Yugoslavia, and if he can-

not be said to have become as pro-Italian as Rome would have him, he at all events has become definitely anti-Yugoslav. Notwithstanding this fact Italian influence in Albanian affairs is reported to be waning. Yugoslav newspapers allege that the real rulers of the diminutive kingdom are General Pariani and Colonel Gabrielli. But appearances at Tirana and information from impartial sources do not bear out the charge. Two hundred and fifty Italian instructors and engineers are helping to train Albania's little army and to develop her new highway system; but they seem to be looked upon increasingly as mere advisers whose counsel is to be acted upon or not as the Albanian authorities decide. It is doubted whether the treaty of Tirana, dating from 1926, will be renewed upon its expiration next November. King Zog evidently feels sufficiently firm on his throne to be able to do without the guarantee which it contains.

NEW BULGARIAN CABINET

Parliamentary elections, precipitated by the growing unpopularity of the Liaptcheff Government, were held on June 21 and resulted in a smashing defeat of the government coalition bloc which has dominated the country since the coup d'état of June, 1923, when Stambulisky, the agrarian Premier, was overthrown and murdered. (See article by Constantine Stephano on pages 707-711 of this magazine.) The Opposition bloc won 150 seats, the government bloc 79, the Communists 32, the Macedonian group 8 and the Socialists 5. Though ostensibly "free," the elections were marked by the usual amount of manipulation by government officials, which, however, did not avail to prevent the starving peasants from registering their dissatisfaction with the existing régime. The causes of the government's fall were primarily economic.

After some delay a new Cabinet was formed on June 29 by Alexander

Malinoff, a Democrat and leader of the Opposition bloc. Three portfolios went to the Democrats, three to the Agrarians, two to the Liberals and one to the Radicals. Of all appointments in the State, 50 per cent were allocated to the Democrats, 25 per cent to the Agrarians, 15 per cent to the Liberals and 10 per cent to the Radicals. M. Malinoff took the post of Foreign Minister as well as the Premiership. The moderate tone of the press that backed the former government indicated that the defeated bloc would support the new Cabinet in so far as possible. Though M. Malinoff

and his colleagues scoffed at the idea, reports persisted that a putsch and a dictatorship were imminent.

Confessing that the country was in a desperate financial situation and that its relations with its neighbors were not "what they ought to be," the new Premier promised prompt reforms, even if not capable of being carried out on lines ideally most desirable. A bad solution, he said, is better than none at all. "The great powers must, in their own interest, regard us as the central State of the Balkan peninsula and must wish for a strong and healthy Bulgaria."

Industrial Conflict in Norway

NORWAY during the month of June experienced labor troubles not unlike those that

occurred in Sweden in the preceding month. In both instances the conflict led to a trial of strength between strikers and police, and to the use of troops for the restoration of peace and order.

The Norwegian trouble arose at Porsgrund, where most of the employees of the Norsk Hydro Company had gone on strike in protest against threatened wage cuts. The local police and the strikers came to blows on June 2 when the latter attempted to prevent strike-breakers from engaging in work. A few days later the police at Skien were called upon to disperse a group of Communist demonstrators, and in the ensuing fight several members of the police were injured. On June 8 the disturbances in the vicinity of Porsgrund assumed a more serious aspect. About 1,000 workers engaged in battle with 120 police, three of whom were seriously injured. On the same day the government dispatched two destroyers and two minelayers to Porsgrund, and the police force was reinforced with a company of royal guards, a machine

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gun battery and bomb squads. All conscripts in the Porsgrund area were called to the colors. The government

also issued an announcement characterizing the Porsgrund incidents as serious. During the days following sympathy strikes were reported in Menstad, Oslo and elsewhere.

In these as well as in other recent labor disturbances in Norway the main issues involved were wages and the employment of non-union labor. The employers have been insisting for some time that wages be reduced, and during the past few months a considerable section of Norwegian workers has been involved in strikes and lock-outs. The employment by the Norsk Hydro Company of unorganized labor appears to have been the immediate cause of the trouble in Porsgrund. The organized workers have strenuously opposed the practice, and their insistence that only organized labor be employed appears to mean an effort to extend, in an indirect but effective way, the control of labor unions over non-union labor. In all fundamental aspects the present conflict is reminiscent of the disturbances in 1921, during the Conservative Halvorsen Ministry. The seriousness of



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the situation, as well as the fact that something more than purely local issues were at stake, was suggested by a report from the capital on June 12 that the Ministry of Defence and the Bank of Norway were guarded by the military and that additional troops were to be sent to the Skien district.

The official mediator and representatives of Norwegian paper mills and of their striking workers held a conference on June 10. The strike, which the mediator has been for some time attempting to bring to an end, has lasted about four months and involves some 12,000 workers. On the day after the conference it was reported that less than 10 per cent of the workers had indicated their willingness to accept the mediator's proposals which included a wage reduction ranging from $3\frac{1}{2}$ to 10 per cent.

At the instance of the Norwegian Government the \$44,500,000 claim of the Hannevig Shipbuilding Company of Oslo against the United States will be taken to The Hague Court of Arbitration. The Hannevig Company's American shipyards were founded during the World War. The prop-

erties were requisitioned by the United States Shipping Board Emergency Corporation in August, 1917. The owner, Mr. Hannevig, refused to accept the settlement offered by the government, and the Hannevig claims were included in the list of shipping cases submitted to The Hague tribunal for arbitration with the United States in 1922. However, they were not a part of the final award of the court. The State Department in Washington has resisted the claims from the first as lacking valid basis, and, according to a statement dated June 18, still adheres to its earlier stand in the matter.

SWEDISH STRIKE TROUBLES

The investigation of the strike disturbances at Adalen, Sweden, which led to troops firing on workers on May 14, showed that all but one of the six deaths were caused by ricocheting bullets and that the troops had avoided shooting directly at the hostile mob. Thus the commanding officer's statement that he had ordered the troops not to shoot at the workers appears to be substantiated.

Two of the leading Communist participants were arrested on June 5, and two others were imprisoned for taking part in the rioting in Stockholm, while the two German Communist agents, Steigler and Kupfer, were ordered deported.

The Riksdag adopted on June 10 a proposal to establish a grain monopoly under government control. A grain association, composed of Swedish flour mills, will enjoy a monopolistic control over the importation of rye, wheat, and rye and wheat flour, and will purchase all domestic wheat and rye of milling quality that is offered.

Deep appreciation was voiced by Swedish scientists of the donation of \$100,000 from the Rockefeller Foundation to the Stockholm University for the construction of a new building to house the departments of sociology, statistics and economics. In addition,

the Rockefeller Foundation gave \$30,000 to the same institution for certain sociological research work. The new buildings will match that occupied by the Bio-Chemical Institute of the university, built chiefly by means of an earlier donation from the Rockefeller Foundation.

Two new units were added to the Swedish Navy with the launching of the destroyers *Klas Horn* and *Klas Uggle*, both named for Swedish naval heroes. At the same time preparations were made to lay down Sweden's first airplane carrier.

The city of Stockholm showed a budget surplus of 9,200,000 kronor in 1930. The revenues from water, gas and electricity exceeded the preliminary estimates with about 3,000,000 kronor and the city real estate board reported a surplus of 1,190,000 kronor.

DANO-NORWEGIAN DISPUTE OVER GREENLAND

During the past decade the relations between Denmark and Norway have been occasionally disturbed by the question which of the two countries has sovereignty over the eastern coast of Greenland. When, therefore, the announcement was made in Copenhagen on June 29 that a Norwegian party had raised the Norwegian flag at Myggbukta in Eastern Greenland, it caused a sensation in the Danish capital. It was understood that while the Norwegian Government was not officially supporting the action of the Norwegian party at Myggbukta, it was not ready to express regrets over the incident. In reply to the Danish proposal to submit the question to The Hague court, a Norwegian note published on July 8 showed that Norway's acceptance was conditional only. Norway suggested that before the question was taken to The Hague assurances should be given, in the event the disputed area is declared to be no man's land, that Denmark would agree in advance that a

part of the land in question would become Norway's. Denmark's reply was that such an agreement in advance would be contrary to all precedent.

The territory over which the Norwegian flag was raised is that section of Eastern Greenland in which Norwegian sailors in recent years have been building huts, and appears to be claimed by Norwegians in general. The Oslo newspaper *Tidens Tegn*, while admitting that the procedure in laying claim to Myggbukta was unusual, declared that the majority of Norwegians approved of the step. It also pointed out that until ten years ago Denmark made no claims to sovereignty, and that the official Norwegian view has consistently been to consider the territory as no man's land.

Ten days before the Norwegian claim to Eastern Greenland caused a stir in Copenhagen, the greatest expedition ever sent by Denmark to Greenland took its departure. The expedition sailed under the leadership of Dr. Lauge Koch. Its destination included the section of Greenland to which Norway lays claim. Premier Stauning, in his farewell address, did not refer directly to the dispute with Norway. He said that just as Denmark in the past has done its duty toward the Eskimo population of Greenland, the Koch expedition should be considered as fulfilling one of Denmark's duties toward Greenland.

FINLAND'S ATTITUDE TOWARD THE SOVIET UNION

The Finnish Government replied on June 4 to the Soviet note of May 17 which accused Finland in rather strong language of hostility toward the Soviet Union. The Finnish reply asserted that the Russian charges and complaints were exaggerated or based on misconceptions, and that the Soviet Government tolerated conditions which would give ample grounds for diplomatic action by Finland. On June 23 Moscow sent another sharp note to the Finnish Government. It

declared that in view of the ineffectiveness of the earlier notes, the Finnish authorities were unwilling to abandon their former position and stood ready to tolerate the campaign against Russia which, according to the Soviet contention, was permitted to be carried on within the Finnish Republic, and that the responsibility for the consequences of this alleged anti-Soviet agitation rested solely upon the shoulders of the Finnish Government.

The receipt of this Soviet note coincided with the arrest in Helsinki of H. Luotonen, the chief Bolshevik organizer in Finland. It appears that the earlier discovery of the Communist headquarters in Estonia led to the subsequent discovery of the centre of the subterranean Communist organization in Finland. The detention of Luotonen was followed by the arrest of six other members of the Com-

munist group, and led to the discovery of important documents relating to Bolshevik propaganda in Finland.

It was reported on June 9 that the Estonian secret police had succeeded in unearthing the headquarters of the Communist organization in Estonia. Important documents disclosing connections with Moscow, plans for a revolt and the names of leading Communists were found. A secret printing establishment was also discovered. Fifty persons were arrested, among them seventeen prominent organizers. One of them was V. Kirst, who played an important part in the 1924 uprising and whose connection with Anvelt, the leader of the enterprise, was most intimate. It was also disclosed that the Estonian Communist group received an annual subsidy of 60,000 Estonian kroner from Moscow.

Russian Communists Redefine Policies

THE Central Executive Committee of the Russian Communist party at its quarterly meeting always brings to the fore problems which are immediately pressing in connection with the prevailing line of policy. The mechanism of dictatorship vests final, though extralegal, authority in the whole body of party members. The country's governmental structure created by the Constitution is in reality an instrument to execute the party will, its administration controlled through the distribution of loyal Communists in key positions among the public offices by means of an electoral system which forbids the organization of opposition parties and which, by a process of indirect election, removes the centres of governmental power from immediate contact

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with the electorate. The party as a whole functions through its biennial Congress. Here a framework of policy,

which in theory arises from the will of the common membership but is in reality suggested and fashioned by the party leaders, is formulated and declared. The party then transfers its power to an executive committee, made up of these same leaders, with a mandate to carry out the accepted policy by any means which seem expedient. This inner group, therefore, is the real governing power of the Soviet Union. Meeting in plenary session four times a year under the leadership of Stalin, general secretary of the party, the Central Executive Committee surveys the progress of the party program, discusses the problems which are momentarily most

urgent, and proposes a series of practical measures which, when issued in the form of decrees by the appropriate administrative agencies of the government, have the force of law.

The June meeting of the Central Executive Committee selected the problems of agriculture and of railway transportation as of primary importance in the present position of affairs. Its discussions of the agricultural situation give us authoritative information on a subject about which there have been many conflicting reports of late. The Spring sowing campaign has closed with results somewhat below the specifications of the program. According to official figures some 224,000,000 acres have been planted, or approximately 90 per cent of the area called for by the control figures. The Communist leaders, though not entirely satisfied with this sowing, do not regard it as a serious failure of their plans. The figures represent a substantial increase of the nation's agrarian resources as compared with previous years; and what is more to the point they record an impressive triumph of socialized agriculture over individualistic methods. The so-called "socialized sector," comprising the two categories of State and collective farms, includes 70 per cent of the sown area, or a total of 158,000,000 acres, as against some 65,000,000 acres sown by individual farmers. State farms have doubled their area as compared with last year, having planted a total of 19,000,000 acres; the collectives have increased theirs by about 50 per cent. These figures have a practical significance quite apart from their testimony to the progress of socialism in accord with Communist theory.

The Soviet Government is striving to free itself from dependence upon the volition of the peasantry for supplies of grain to feed the urban population and the army, and for export. The product of the State farms is owned outright by the government; a portion of the product of all collective

farms is similarly owned by virtue of contract right. Last year the government gathered from its own farms and by purchase 23,000,000 tons of all grains, utilized 14,000,000 tons in feeding the urban population and the soldiers, and set aside 9,000,000 tons for sale abroad, of which some 5,000,000 tons were actually exported. Weather conditions this year have not been very favorable and, consequently, the authorities are very cautious in their harvest predictions; yet it appears true that nothing short of a crop failure can prevent the government from exceeding the grain collection figures of last year without resort to purchase from the peasant. Preliminary estimates place this "mobilized" portion of the grain crop in the neighborhood of 30,000,000 tons. The importance of this development is obvious, as regards its bearing on both the domestic politics and the international relations of the Soviet Union. Possessing an ample food supply for its industrial and military forces, the dictatorship can stiffen its policy with regard to the peasantry without danger to its industrial program, thus gaining increased control in both departments of the national economy. The export surplus constitutes a vital element in the Five-Year program; and acquires political significance from the prevailing depression of the world's grain markets and the resulting status of international economic relationships.

In spite of these favorable factors the Central Executive Committee expressed considerable concern over the agrarian situation. The expansion of agriculture throws additional burdens upon the industrial structure, whose progress in the divisions pertinent to the problem has not been proportionate to the increasing needs. The methods employed on the State and collective farms are highly mechanized, demanding ample supplies of machine equipment of the most modern sort. The planting program was seriously handicapped by the failure of

the factories to provide machinery sufficient in quantity and reliable enough in quality to meet this demand. The approaching harvest will challenge the adequacy of the country's industrial structure still more severely; and the efficiency of the railroads, about whose condition the authorities express very gloomy views, will also be brought to the test. It will be exceedingly difficult, perhaps impossible, without serious injury to the general industrial program, which is even now handicapped by lack of manpower, to fill in the gaps in the machine equipment of agriculture by transferring labor from the factories and mines to the farms. Moreover, this is recognized by all the Soviet leaders as the crucial year of the Five-Year program—"the year in which the foundations of socialism will be laid." Even partial failure to complete successfully the ambitions and widely heralded agrarian program may have serious effects upon popular morale.

The party leaders do not expect to fail in their grappling with these problems. They have laid out a program of intensive work in the agricultural machinery industry, the repair shops, and the mechanization centres scattered at strategic points throughout the farming area in the hope of improving the machine equipment of agriculture before the harvest. The inefficient condition of the railways presents a more baffling problem because it has persisted a long time despite continuous efforts at improvement. Here the program adopted by the Central Executive Committee elaborates a comprehensive plan of campaign embracing the railways themselves in all their departments, the coal mines, and those units of the steel industry which are ancillary to the transport system. Such a program affords an effective illustration of the theory of unified economic control which lies at the basis of Communist practice. It also emphasizes the fact that these attempts to manage the economic activity of a people run back

in the final analysis to a domination over the personal behavior of the individual. For the essence of these plans is an increased discipline and a heavier weight of responsibility for wage earners and managers alike.

The outworkings of the system in their more dramatic forms are seen in the record of arrests of railway workers for slack service; and in such incidents as the punishment of the superintendent of the great Rostov tractor factory who was held responsible for the unsatisfactory record of this enterprise, and the recent arrest of the superintendent of the "Red October" metallurgical plant for failure to carry out urgent orders of the railways. For the ordinary man who escapes such notoriety the system spells an increase in the tension of life from day to day. Such devices are self-limiting in their effectiveness as spurs to human industry. The reaction of the common man is seen in the labor turnover which the Soviet authorities are struggling to control by measures of severe discipline. The abler man reacts by displaying a reluctance to accept a position of responsibility and assume its hazards, thus reducing the supply of the type of labor of which the country stands in greatest need. In this connection it is significant that the recent contract with John Calder, American engineer, which appoints him director of the construction of ninety steel plants in the Soviet Union, specifically exempts him from personal responsibility for unsatisfactory results.

A Soviet analysis covering the fiscal year 1930 records a gain in large scale production of 25 per cent over the previous year and of nearly 100 per cent, as compared with the pre-war volume. Taking account of the gains in agriculture, as well as in industry, this report estimates that the national income of the Soviet Union is now 53 per cent higher than in 1913 even when allowance is made for differences in the price levels. Current reports dealing with specific indus-

tries disclose continued progress in these selected departments, but it is admitted that there are important exceptions and also that there are elements of weakness—notably the insufficiency and inefficiency of labor—running through the entire industrial structure. The foreign trade statistics for the first quarter of this year, a factor of great importance in the Five-Year program, are far from satisfactory. The export trade has fallen by 20 per cent, as compared with the same period last year, and the import trade by 12 per cent, with a resulting increase of the unfavorable balance.

As one studies the industrial progress of the Soviet Union against the background of the economic condition of the population one is not inclined to share in the frequently expressed fear that Russia will acquire destructive competing power as a result of the Five-Year plan. Its 160,000,000 people live at present upon a plane almost incredibly low, as compared with that of advanced industrial nations. It is an essential part of the Soviet program to advance this standard of living with great rapidity as soon as the urgent needs of the basic heavy industries, which at present absorb the productive energies of the country, have been satisfied. When this process gets under way the increasing purchasing power in the hands of the people, and the resulting multiplication of their wants, will create a domestic market whose power to absorb the products of the Soviet factories should prove virtually insatiable for many decades to come. In the agrarian branch of the productive system this factor will not operate. Indeed it seems inevitable, if the agrarian program is even approximately successful, that Russia will dominate the world's markets for grain and certain other staple commodities. But even if the most extravagant hopes of the government with regard to the progress of the industry should be realized, the country will have no real surplus of factory products for export.

Illustrations of this situation are of interest both as bearing upon the problem of Russia's future position in foreign trade and, especially, as emphasizing the severe privation of the Russian people at the present time. During the past year the production of cotton textiles was 50 per cent in excess of the pre-war output. Yet the per capita consumption of cotton cloth is even now only one-third that of the United States. Of woolen cloth the per capita consumption is not more than one-tenth as much as our own, and the proportion of silk textiles is even smaller. Despite notable advances in these industries the country has scarcely begun to satisfy the domestic demand. Last year the Soviet factories turned out twelve times as many shoes as were produced in Czarist Russia; yet so acute is the shortage in the domestic market that this year's plan to double the output is not expected to meet more than a fraction of the demand. In the ready-made clothing industry the output has more than doubled in the past two years, but the dearth of clothing has grown more rather than less acute. In these cases the immediate cause of the shortage on the domestic market has been a change in consumption habits which impels many millions of people to demand leather shoes and ready-made clothing for the first time, and this, in turn, is evidence of a rising standard of living.

These examples might be duplicated many times over in other industries purveying directly to the consumption needs of the people. It must be remembered, too, that the present policy of forcibly impoverishing the Russian people in order to provide goods for export cannot be long continued. The people are induced to bear these sacrifices by vivid pictures of prosperous times just around the corner and not because they are filled with a Communist zeal for a revolutionary program. At the most liberal

estimate not more than 7 per cent of the people, old and young, profess the Communist faith. The vast majority are ordinary human beings, capable, it is true, of severe patriotic effort in response to promises of reward stated in terms which they can understand and appreciate, but, like mankind in general, expecting the rewards to accrue in tangible form without too great delay. The impossibility of maintaining their position of political dominance on any other terms will operate to compel the Soviet authorities to liquidate their promises to return to the people the products of their labor in industry.

The serious condition of Soviet public finance is disclosed by certain recent actions of the government. It is apparent that the authorities have become greatly alarmed by the inflation of the currency under the pressure of treasury needs. Commissar of Finance Grinko has announced that there must be no further issue of paper money this year. To reduce the

quantity of money afloat and to create revenue for the treasury, the government in May decreed an increase of 50 per cent in the prices of food and other basic commodities. Early in June another decree increased from 10 to 80 per cent the taxes on a wide variety of amusements and on certain categories of railway travel. Later in the month a large domestic loan, the second since the beginning of the year, was announced. The earlier issue had raised about \$500,000,000. The new issue calls for \$800,000,000. An interest rate of 10 per cent and additional incentives in the form of large lottery prizes are offered as inducements to the people to purchase the bonds; while a social pressure, developed by skillful propaganda, makes refusal by any individual with money to invest very difficult. The government is also exploiting the savings banks, whose interest rates appeal to the capitalistic motives of the people, as a source of funds.

Zionist Dispute Over Palestine

THE Zionists of the world met for the seventeenth time at Basle on June 30. Considerable excitement developed in various countries in connection with election of delegates, because of the decline of financial support for the movement and because of differences of opinion as to past and future policies, particularly over the Passfield White Paper, Prime Minister MacDonald's statement of February, 1931, and the impending withdrawal of Dr. Chaim Weizmann from the presidency of the movement.

When the Congress met the 258 delegates were divided into five groups—General Zionists, or Centrists, 87; Laborites, 80; Revisionists, 50; Orthodox Zionists, 34; Radicals, 7.

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The active groups, with contrasting points of view, were the Laborites and Revisionists, while the General

Zionists held an intermediate position. The Revisionists maintained that the Zionist movement has progressed so slowly as to be practically a failure; the British Government should have been pushed far more vigorously toward favoring Zionism; no concealment should have been made of an earnest and active effort to create a Jewish majority in Palestine; the responsibility for failure rests upon Dr. Weizmann. The Laborites on their part were dissatisfied with the economic progress of Zionism and with the restricted rights of Jewish settlers in Palestine. The General Zionists wished to continue the plan of cooperation



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with the British Government in the slow upbuilding of a Jewish national home in Palestine, with concentration on economic development and a sincere effort to reach an understanding with the Arab inhabitants of Palestine. This group, however, was divided as regards endeavoring to draft Dr. Weizmann for continued leadership. The American "Brandeis Group" hoped to create a coalition of all parties, with a commission instead of a single president at the head of the world Zionist organization.

Dr. Weizmann placed his resignation before the Congress in a three-hour address on July 1. He claimed that his policy had been a success. At the same time he charged the British Government with "apathy and indifference at times amounting almost to hostility toward the Jewish National Home." He also blamed the Jews themselves for withholding financial support. He stated that the British White Paper seemed to present a cancellation of the mandate, while the Simpson report was "a worthless document, a jumble of groundless assumptions and of misunderstood and distorted statistics." But Mr. MacDonald's letter righted the wrong done by the White Paper. He urged that political parity be the decisive principle in relations with the Arabs.

On July 2 the Revisionist leader, Mr. Jabotinsky, attacked fiercely the policy of Dr. Weizmann's administration and demanded that the Congress pass a resolution upholding the creation of a Jewish State in Palestine, with a Jewish majority on both sides of the Jordan River. He claimed that for the most part the MacDonald letter confirmed the White Paper.

On the following day the General Zionists, except a group headed by Dr. Eder of England and the American delegation, agreed upon a resolution affirming that the MacDonald letter was unsatisfactory. Rabbi Stephen S. Wise of New York bitterly attacked the British Government, using language so violent that Dr. Weizmann left the hall for a time. Finally, after a long debate on July 6, a vote on the question of whether Dr. Weizmann had made a satisfactory explanation of his views as regards demanding a Jewish majority resulted in so much of a victory as is involved in a majority of 107 against 97.

According to the report presented by the Jewish Agency to the Mandates Commission of the League of Nations on June 9, the agency and affiliated organizations spent \$6,225,000 in Palestine during the fiscal year ended Sept. 30, 1930. American contributions to the two principal funds were

\$620,000. The Jewish population at the end of 1930 was estimated at 175,000. The Jewish National Fund now owns about 70,000 acres. There are now 2,276 industries with a capital investment of \$5,000,000. Jewish building activities in 1930 amounted to about \$3,750,000. Total investments of the Jewish National Fund in Palestine were valued at \$9,000,000.

The finance committee at Basle announced a deficit of \$4,000,000 and asked for \$800,000 in order to carry on until September.

At Geneva on June 15 Dr. Shields, the British Under-Secretary of State for the Colonies, stated as the position of the British Mandatory Power in Palestine that the economic rather than the political situation would henceforth take precedence. Parliament is to be asked to guarantee the long-discussed loan of \$12,500,000 for the economic development of the country.

The Moslem Supreme Council appointed a committee in the middle of June to draw up a memorandum protesting to the British Government against the report of the International Wailing Wall Commission and the subsequent British order-in-council. The committee prepared a letter stating that the Moslem Council had refused to recognize the authority of the commission to deal with the question, because non-Moslem groups have no jurisdiction over Mohammedan religious privileges and because the Arabs do not accept the mandate; furthermore, the Jews are allowed rights which they have not had before.

CONTINUED DEPRESSION IN TURKEY

Reports of economic conditions in Turkey during the first months of 1931 reveal the continuance of serious depression, the year 1930 being regarded as the worst of many years. Both exports and imports dropped heavily. The Turkish exports have fallen steadily from the value of \$96,000,000 in 1925 to \$75,000,000 in 1930.

A single good harvest is believed not sufficient to relieve the heavily indebted cultivators from their difficulties.

Beginning with June 1, the Turkish Government put into effect extensive reductions, whose immediate result will be increase of unemployment to the extent of several thousand persons. The press bureau of the Foreign Office has been abolished and many employes of the tobacco and alcohol administrations have been dismissed. The administrative staffs at the capital and in the chief provincial cities have also been reduced materially.

In addition to a reduction of \$17,000,000 in the budget, additional savings to the amount of \$4,000,000 have been planned. The members of the Cabinet at Ankara have accepted reductions of salary and have agreed to give up the use of automobiles furnished by the government.

These changes were not made without opposition on the ground that increased unemployment will not only make conditions worse but will alienate many among the educated group. Others advocate the government's making arrangements with foreign creditors and borrowing large sums from abroad.

Negotiations during May between the delegates of the Ottoman Public Debt and the Turkish Government resulted in no agreement. Naturally if the Turks fail to satisfy the holders of their former indebtedness, they must expect to be held to their policy of obtaining no loans from abroad.

THE EGYPTIAN PARLIAMENT OPENS

On June 20, exactly one year after the appointment of the Cabinet of Ismail Pasha Sidky, the Parliament elected under his leadership met with the usual pomp and ceremony. In spite of the opposition of the Wafd and Liberal Constitutional parties, which controlled the majority of the voters and urged their followers to abstain from the elections, Sidky carried through

both the primary and secondary elections and assembled 150 Deputies and 100 Senators to hear the speech from the throne. In this Sidky pointed out that in spite of unfavorable economic conditions the government had balanced the budget and done much to improve conditions.

One feature of the ceremony caused much comment. The program announced that the King would take an oath to the Constitution, but after the Premier's speech the King departed without so doing. Sidky explained that since the King had taken such an oath in 1924 it was not necessary that he do so again. The opposition claims that the King declined to take this oath because the new Constitution violates the old one and therefore is null and void.

As was to be expected, the government secured large majorities in both the Chamber of Deputies and the Senate. In fact, fears have been expressed that unanimity will be so complete as to prevent debates participated in by an opposition. The government announced that in the election of the first degree 1,541,315 electors voted, being more than at any previous time. Some opponents of the government affirm that the actual votes cast were not more than 10 per cent of this number.

The government has prepared a new press law, which may be explained in the words of one of its apologists: "Acting under a solicitude for the amenities of public life and political controversy, Sidky Pasha has been constrained to revise the press law of Egypt which in its present form dates back fifty years. That the revision should take the form of tightening up official control of the press is inevitable, and the action cannot be summarily dismissed as an essentially dictatorial procedure. In quarters hostile to the present régime in Egypt much is made of the alleged wholesale suppression of newspapers by the government, but the fact that many of the publications so suppressed are mere

scurrilous broadsheets of toadstool growth is concealed and no consideration is given to the offences for which they have been suspended or suppressed."

THE BRITISH REPORT ON IRAQ

In view of the proposal that Iraq shall be admitted to the League of Nations in 1932, the British Government has presented to the Permanent Mandates Commission a special report in which is included a description of the progress which that country has made since 1920. The British deny that they expected Iraq to be able "to challenge comparison with the most highly developed and civilized nations of the modern world." What they aimed at was the setting up, within fixed frontiers, of a self-governing State enjoying friendly relations with neighboring States and equipped with stable legislative, judicial and administrative systems and all the working machinery of a civilized government. The report presents evidence that such a result has been achieved.

DEATH OF EX-KING HUSSEIN

Hussein ibn Ali, Sherif of Mecca from 1908 and King of the Hejaz from 1916 to 1924, died at Amman on June 4, aged 76 years.

Born at Constantinople in 1856, his earlier years were divided between that city and Mecca. A member of that house descended from the Prophet Mohammed which was of most repute in Mecca, he became at the age of 52 the head of the local government in the holy province of Islam. Until after the outbreak of the great war he was loyal to the Turkish Government. A movement toward Arab national independence had been developing for a number of years. Sir Henry MacMahon, British High Commissioner in Egypt, with Colonel T. E. Lawrence as intermediary, made use of Arab nationalism to encourage and support Hussein in rising against the

Ottoman rule. Hussein always held that the British had broken faith with him by allowing Zionism in Palestine and French control in Syria. He declined to sign the Treaty of Versailles. He claimed that he had been promised an empire which would include besides the above-mentioned territories Iraq and Yemen.

Assisted for some time by subsidies from the British Government, Hussein quarreled in 1919 with King Ibn Saud of the Nejd. When in 1924 the Turkish Government deposed the Caliph Abdul Mejid II, Hussein endeavored to assume the title for himself. In those years the British Government supported for a time the idea of accomplishing a federation which would include Transjordan, Syria and Iraq, but the French refused to permit the inclusion of Syria. Because of opposition to these ambitions and for other

reasons, Ibn Saud resumed fighting and captured so much of the Hejaz that Hussein abdicated as Caliph and King on Oct. 3, 1924. His son Ali assumed the title of King and held out in Jeddah until December, 1925. Hussein proceeded to Akaba and was later taken by the British to Cyprus. There he remained until a few months ago, when he removed to Amman at the court of his son Abdullah.

Hussein was accused of greed, autocracy and excessive ambition. As King of the Hejaz he is said to have accepted money for protecting pilgrims without distributing that portion of it to the Bedouin Arabs which would have insured their safety. While he refused to permit the Hejaz railway to be extended from Medina to Mecca, he admitted such modern inventions as the printing press, the telephone and wireless.

China Split Between North and South

HISTORY again repeated itself in China, when, on May 28, a rival "National Government of China" was set up at Canton, the great southern city through which China's earliest maritime relations with the Western World were conducted. The commission named to conduct administration included many important members of the Kuomintang or Nationalist party, but it lacked unity, containing, as it did, members of six different cliques. Viewpoints ranged from the conservatism of Ku Ying-fen and Chen Chi-tang, who initiated the revolt, to the radicalism of Eugene Chen, the former fiery Foreign Minister at Hankow through whose efforts the British concession at that city was regained in 1927. Between the extremes stood Wang Ching-wei, Dr. Sun Yat-sen's spiritual successor, who is, apparently, like Dr. Sun in his willingness to participate in ambitious pro-

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grams upon very speculative terms, Sun Fo, son of Dr. Sun Yat-sen, who resigned his post as Minister of Rail-

ways at Nanking to go to Canton, Tang Shao-yi, an independent "elder statesman," Li Tsung-jen, a militarist, until recently extremely hostile to General Chen Chi-tang, and Pai Chung-hsi, another leader of opportunist militarism. No individual head of the government was named, but governmental functions were divided among committees. General Chen Chi-tang, who drove out General Chen Ming-shu, Nanking's supporter, was regarded as the "strong man" of the new régime, Wang Ching-wei as his civilian colleague.

China's great jurist, Dr. Wang Chung-hui, who resigned as head of the judicial yuan, did not go to Canton but was understood to side with the new faction there. Dr. Wang left China for The Hague to continue his work on the bench of the World



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Court. Thus the Nanking Government was deprived of the services of men of great ability or influence but it did not appear to feel the shock. General Chiang Kai-shek was re-elected President of the government and the vacated places were filled with able men.

Dr. C. C. Wu, Chinese Minister at Washington, resigned on June 10, giving as his reason that he was a Cantonese and would not be a party to requests for arms shipments to the Nanking Government. He also said that for some time he had been out of sympathy with the domestic and foreign policies of Nanking.

The establishment of the Canton Government as a "national" entity aroused apprehensions of another civil war. These were intensified by the success of the Cantonese in obtaining the customs receipts of ports within their control over and above amounts needed for loan services.

For some weeks there was uncertainty as to what attitude the ousted Canton Governor, General Chen Ming-shu, who controlled a strong force on the Kiangsi-Kwangtung border, would take, but ultimately he decided to support Nanking. There was fear also that Nanking might be caught between two fires because of the accession to Canton of its enemies in the North—Yen Hsi-shan, former Governor of Shansi, Feng Yu-hsiang, ally of Yen against Nanking last year, and such "gray" or frankly opportunist Generals as Shih Yu-san and Sun Tien-ying, whose armies are stationed in northern Honan, western Shantung and southern Hopei. Apparently to offset this latter menace Vice Commander Chang Hsueh-liang moved additional forces into Hopei from Manchuria. Marshal Chang fell ill with typhoid fever during these crucial days and was being cared for at the Rockefeller Hospital in Peiping.

The apparent cause of the break between Canton and Nanking was the old difficulty of federalism versus centralization. Expressed in terms of personalities it was the suspicion of his former colleagues that President Chiang Kai-shek was seeking to elevate himself to a position of dictatorship. Chiang Kai-shek repudiated the charges but the modification of the government embodied in the new constitution promulgated at Nanking on June 1 does in fact increase his powers since it provides in Article 74 that "the presidents of the five yuan and the heads of the various ministries and commissions shall be appointed and dismissed in accordance with law by the National Government at the instance of the President of the National Government." President Chiang, however, in a letter replying to charges of dictatorial action by Sun Fo, declared that "during the past few years every project or reform of any national importance has been carried out in strict accordance with the order of the party. There was none which did not have your joint approval." He failed to answer specifically Sun's charge of non-publication of national accounts.

Elected on June 15 as principal administrative heads of the National Government at Nanking were the following:

Executive yuan, chairman, Chiang Kai-shek; vice chairman, T. V. Soong.

Legislative yuan, chairman, Lin Shen (also named Canton official); vice chairman, Shao Yuan-chung.

Judicial yuan, chairman, Wang Chung-hui (apparently pro-Cantonese); vice chairman, Chang Chi.

Examination yuan, chairman, Tai Chi-tao.

Control yuan, chairman, Yu Yu-jen; vice chairman, Chen Kuo-fu.

A report from Canton on June 19 stated that the government there had decided not to take the offensive but to fight only if Nanking's forces sought to invade Kwangtung or Kwangsi. It was further stated that Canton would seek to undermine Chiang's Generals and to win over the people of the provinces south of the

Yangtse by sending advisers on economic and political matters to the local governments and assisting the people to prepare themselves for a larger part in their own government. Six hundred advisers were to be trained in a short course at Canton.

Barred from Canton by a "Red" zone extending across Fukien, Kiangsi, Kweichow and Hunan, the Nanking Government had no choice but to increase its efforts to bring these provinces under control before they should become united against it under Cantonese leadership. Consequently President Chiang Kai-shek left Nanking and set up headquarters at Nanchang in Kiangsi on June 22. It was reported that he had taken supreme command of 250,000 Nationalist troops concentrated between Kiukiang and Kianfu. This move was prompted by a drive of Communist forces which threatened Nanchang.

All Americans in the vicinity of Foochow, Fukien, were warned to leave. The American Congregational mission ended fifty years' work in Northern Fukien with the withdrawal of Dr. William Judd of Omaha, Neb., from its hospital at Shaowu. American Methodist missionaries evacuated Yenping, 100 miles up the Min River from Foochow. Foreign warships, including American, lay off Foochow.

The Nationalist Government admitted on June 15 that 20,000 soldiers had been killed or otherwise disposed of by Communist bands recently in Kiangsi, Hunan and Northern Fukien. Large quantities of arms and other supplies were reported lost to the irregular forces which are estimated to number 300,000 in the southern provinces alone. The appalling devastation being wrought in China is suggested by the estimate of Chinese civic bodies at Changsha, Hunan, that 400,000 non-combatants have been slaughtered by bandits and Communists within the past five years in Central Hunan.

All news to or from China became subject to the censorship of the Na-

tional Government on May 20 when censors were installed in the cable offices in the International Settlement at Shanghai.

DECLINE IN JAPANESE TRADE

Figures on Japan's trade released by the Department of Commerce revealed a drop of 32 per cent in the value of her 1930 exports below that of 1929, and a drop of 30 per cent in the value of her imports. On a quantity basis the drop did not exceed 12 per cent in total foreign commerce. Whereas in 1925 Japan's exports were worth 2,305,590,000 yen (one yen equals fifty cents), her imports 2,572,658,000 yen, in 1930 exports had dropped to a value of 1,469,852,000 yen and imports to 1,546,051,000 yen.

Drastic cuts in official salaries were decreed by imperial ordinance in order to effect a saving of some 8,000,000 yen in the budget, which is expected to fall short about 100,000,000 yen on the revenue side by March 31, 1932. Cuts ranged from 3 to 20 per cent in salaries already rather low. Officials from the Premier down lost from 2,400 yen to 70 yen a year in the three upper grades. Salaries below 97 yen per month were not affected nor were those of judicial officials. Strong protests were made in all departments but those of war and the navy and the railwaymen were prevented from striking only by promises that retirement allowances would not be cut and that there would be no reduction of personnel except by retirement.

Japanese newspapers were caustic in their criticism of the government's parsimony toward officials in the face of its helpless attitude toward the huge military and naval costs. A commission was appointed in October, 1929, to examine the possibilities of reducing military expenditures. This commission, composed of the Minister of War, the Chief of the

General Staff and the Inspector General of Military Education—all high military officers—recently reported that the personnel of the army might be reduced by 20,000 men but that the saving that would result must be applied to the renovation and completion of equipment. The army's total expenditure is given as 266,000,000 yen.

Police released information regarding a round-up of alleged Communists which took place during several months of 1930. They asserted that the arrests made had foiled an attempt to burn the Parliament Building in Tokyo. Indictments were returned against 173 of those arrested. Nearly all the men indicted were university graduates. Thirty-one were graduates of Tokyo Imperial University. The prize captive was Tanaka Seigen, 35 years old, regarded by police as the most dangerous radical in Japan. He is credited with having reorganized the Communists after the raids by police in 1928 and 1929.

The League of Nations Commission on the White Slave Traffic reached Tokyo on June 9. Government authorities and private organizations interested in the suppression of commercialized vice were prepared to assist the commission. During the last seven years two prefectures have abolished licensed quarters and the assemblies of eight prefectures have passed bills favoring abolition.

Viscount Saito, Governor General of Korea, resigned. Former Minister of War Ugaki was expected to be appointed in his place. Count Y. Uchida succeeded Mr. Sengoku as president of the South Manchuria Railway. He is the highest ranking statesman ever to assume the post and was believed to be in close accord with Foreign Minister Shidehara in his policy of reaching a conciliatory settlement of outstanding Manchurian issues with China.

TO AND FROM OUR READERS

[The Editor invites comments, within 100 words, on articles which appear in the magazine. Anonymous communications will be disregarded, but the names of correspondents will be withheld from publication upon request. The Editor assumes no responsibility for unsolicited manuscripts unless accompanied by return postage.]

IN the September issue of *CURRENT HISTORY* will be printed a reply to Mr. Rennie Smith's article on Liberia which appears in this number. The article will be written by the President of Liberia College at Monrovia, who will deal with the situation pictured by Mr. Smith from a different point of view.

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Mr. E. S. Hartson of the Secretariat of the League of Nations, in a letter to the editor of *CURRENT HISTORY*, says: "During a recent voyage to New Zealand I was necessarily very much out of touch with the League and world affairs. I found, however, that the copies of your magazine which I was able to secure at Panama, Vancouver, Honolulu and New Zealand were of the utmost value and interest, particularly the résumés of world events by your associates."

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Mr. DeWitt Wallace of the *Reader's Digest* writes: "We have found recent issues of *CURRENT HISTORY* more interesting than ever, with the result that out of a variety of strikingly good articles selection of one for quotation has become increasingly difficult."

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Mr. Arthur Cundy, the secretary of Civitan International, writes from Birmingham, Ala.: "I am now a subscriber to *CURRENT HISTORY*, and of all the publications I take, I get more out of *CURRENT HISTORY* and enjoy it more than any other publication. Every page contains genuine food for thought, and is the basis of a very liberal education in national and world economics and politics."

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NEW CURRENT HISTORY ASSOCIATE

To the Editor of Current History:

CURRENT HISTORY is to be congratulated on adding Professor William E. Lingelbach to its already distinguished Board of Associates. Professor Lingelbach's succinct account of the recent Spanish revolution and his penetrating analysis of the resultant political situation, which appeared in the June issue, constitute ample proof of his ability to portray objectively

and with proper historical perspective the current of public affairs in the Latin countries of Europe. Professor Lingelbach correctly emphasizes the problems which the new Spanish Government faces—the Church, the army, the land question and separatism. Whether Spain will cease to be an anomaly in the European family depends upon their solution. Will it still be necessary, when generalizing about Western European States, to say, "except Spain," just as in generalizing about the States of our own Union we are always constrained to add, "with the exception of Texas"?

O. J. HALE,
Assistant Professor of History, University
of Virginia.

Charlottesville, Va.

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THE RISING COST OF GOVERNMENT

To the Editor of Current History:

The very illuminative article by Representative Joseph W. Byrns, which appears in the June *CURRENT HISTORY*, should have the thoughtful consideration of all citizens. Representative Byrns is a diligent and accurate student of our fiscal affairs, and there is no higher authority on this subject than he.

EDWIN L. DAVIS,
Representative, Fifth District Tennessee.
Washington, D. C.

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To the Editor of Current History:

I have just finished reading the splendid article in June *CURRENT HISTORY* by Representative Joseph W. Byrns on the "Rising Cost of American Government." No man is better qualified to discuss this subject than he. The nation needs more men who have the courage to speak out instead of seeing how much they can get out of the "pork barrel."

ROBERT P. WILLIAMS,
Municipal Judge.

Knoxville, Tenn.

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EQUALITY OF CITIZENSHIP FOR WOMEN

To the Editor of Current History:

Women of many countries at Geneva in June to demand equality in citizenship. Passage of the Cable bill, recorded by Representative Cable in the June issue of *CURRENT HISTORY* providing that no American-born woman shall henceforward lose American citizenship by marriage to a foreigner, blazes a splendid trail, nationally and internationally.

Yet we must not forget, as the National Woman's party reminds us in the case of Lillian Larsh, that complete equality has not been attained. American-born

women deprived of citizenship by the old law are still treated as aliens; and married women cannot transmit their citizenship to their children.

LAURA BERRIEN.

Washington, D. C.

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To the Editor of Current History:

Representative Cable's article, "Woman's Victory for Full Citizenship," which appeared in JUNE CURRENT HISTORY, records his work in trying to get women's-rights advocates out of a "fix" they got themselves into. Their independent citizenship is still a boomerang for, while American recognition is assured, the changes are contrary to international law, which recognizes a wife's nationality as following that of her husband's. American women marrying aliens since 1922 are not regarded as American citizens anywhere but here and invite embarrassment when they accompany their husbands abroad. On the other hand, when an alien woman marries an American, her native country washes its hands of her, yet the United States still recognizes her as an alien and she is, in effect, a woman without a country!

GEORGE O. GILLINGHAM,
Assistant Editor, The Pathfinder, Washington, D. C.

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The article by Representative John L. Cable, "Woman's Victory for Full Citizenship" in JUNE CURRENT HISTORY is an excellent account of the fight for the recent amendment to the Woman's Independent Citizenship Act of 1922, which was enacted by the 71st Congress and signed by President Hoover in closing hours of Congress. The new law marks the culmination of a nation-wide, age-old struggle to free American womanhood from the ancient bonds of inequality with man. The rights of suffrage and the rights of citizenship are separate and distinct qualifications. The 19th Amendment gave woman the right of suffrage. The above amendment, fathered by Hon. John L. Cable, makes the qualification of citizenship of American Woman the same as man and is an act of justice to American womanhood.

MARY CLARK.

Gettysburg, Ohio.

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FILIPINO IMMIGRATION

To the Editor of Current History:

Mr. C. M. Goethe's article in JUNE CURRENT HISTORY concerning the menace of Filipino immigration is a very able exposition of the social, political and economic problems incident to the introduction of a widely divergent racial stock into our population. The Negro is an outstanding example of the peril to which a nation may be exposed through the rash importation of a highly alien stock. That effort to secure cheap labor has left a problem in our body politic for which a solution has not yet been found. Surely the American people do not deserve to survive if they have not the intelligence to learn from such a terrible experience.

JOHN B. TREVOR.

American Coalition of Patriotic Societies.

New York City.

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To the Editor of Current History:

Mr. C. M. Goethe's article entitled "Filipino Immigration Viewed as a Peril," in the June number of CURRENT HISTORY discloses two aspects of the situation:

(1) If the Filipino continues to work for the exceedingly low wages indicated, he will drive native-born Americans out of certain fields, thereby causing hardship in our native population.

(2) The most that can be said in favor of the

Filipino from a mental and temperamental point of view is that he is a product untested by the rigors of our civilization. No race should be admitted to the United States in considerable numbers until it can be shown that it is at least the equal in mentality and physique of the native population. A decrease in birth rate of the native population, accompanied by the influx of considerable numbers of an inferior strain, is biologically dangerous.

H. R. HUNT.

Michigan State College, East Lansing, Mich.

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To the Editor of Current History:

While I unqualifiedly approve of the sentiments expressed by Mr. C. M. Goethe in his article "Filipino Immigration Viewed as a Peril," which appeared in JUNE CURRENT HISTORY, yet he has not laid sufficient stress upon a difficult and vital element in the situation, viz: Philippine independence.

Our country as a rule strongly opposes restricting the immigration of a people or imposing a tariff upon their products while still holding them in subjection. Such a course would violate every tradition of the American people. The only possible procedure is definitely to commit ourselves to the principle of independence at as early a date as may be consistent with the safety and interest of the Philippines.

M. A. GOLDSTONE.

San Francisco, Cal.

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To the Editor of Current History:

C. M. Goethe's article, "Filipino Immigration Viewed as a Peril," which appeared in JUNE CURRENT HISTORY, is a true picture of a serious situation. The population of the Philippines, about 13,000,000, is composed of about 95 per cent mixed Malay, 5 per cent Moro and a negligible number of whites. California, which is the State most concerned, resents the admission of this type of immigrant. Independence will come to the Philippines eventually; an exclusion act should be passed immediately to prevent a need later for international negotiation on the subject.

BENJAMIN C. HOLST.

San Francisco, Cal.

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To the Editor of Current History:

At the time this is written, June 29, 1931, two United States Army transports are in San Francisco Harbor manned by Filipinos. While President Hoover's Emergency Committee for Employment publishes various bulletins outlining devious methods for the lessening of unemployment, the War Department continues to give Filipinos preference in employment at a time when thousands of American seamen wearily tread the beach vainly looking for jobs.

When the Jones-White merchant ma-

rine act was still pending in Congress the cheap-labor champions attempted to amend the bill so as to make Filipinos eligible as citizens for the purpose of manning subsidized merchant vessels. The policy of the War Department in giving preference of employment to alien seamen, especially when so many American seamen are unemployed, is furnishing a suitable excuse to an increasing number of private ship operators who seek to justify the employment of cheap and docile Filipino crews. According to the last annual report of the United States Bureau of Navigation, 8,709 Filipinos signed shipping articles for service on American merchant ships. During the previous year 7,890 Filipinos were signed on. Five years ago (i. e., in 1925) the number who signed on was only 5,997.

PAUL SCHARRENBURG.

California State Federation of Labor, San Francisco, Cal.

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THE AMERICAN INDIAN

To the Editor of Current History:

Secretary Wilbur in his article "The American Indian's Rehabilitation," which appeared in May CURRENT HISTORY, neglected to tell us when the United States will determine who is an Indian. At the present time any one in whose veins flows one-thirty-second part of Indian blood is considered an Indian and can draw on the funds for Indian relief. The "poor Indian" might be rehabilitated more easily if all "Indian money" went to the real Indian. ALBERT J. PARTOLL.

Missoula, Mont.

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UNNATURALIZED FOREIGNERS

To the Editor of Current History:

The article by Harold Fields on "Our Unnaturalized Foreigners" in May CURRENT HISTORY is the clearest picture of the alien question which I have yet seen condensed into so small a space. However, it raises the question whether we were not remiss in our attitude to the whole problem of Americanizing the foreign-born and whether we should not lend our efforts toward correcting the handicaps Mr. Fields speaks of and that stand in the way of the citizenship of the foreign-born.

The policy of charging added fees for citizenship is an astigmatic approach to a worthy end, and the policy of denying jobs to legally arrived aliens is a certain means of increasing our list of public dependents—or deportees. These are problems that will stand further discussion. As one of your readers, may I urge the development by Mr. Fields of these thoughts? With his clarity and evident

knowledge of the subject, we ought to get a very clear picture of a very important domestic question.

RALPH LEEDS.

New York City.

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RUSSIA AND THE UNITED STATES

To the Editor of Current History:

I have read with great interest the article in June CURRENT HISTORY by Eli B. Jacobson on "Russia's Economic Conflict With the United States." A statement appears at the head of Mr. Jacobson's article to the effect that documentary material is available for the substantiation of any of the facts given in the article. It would be interesting to know by what documentary material Mr. Jacobson would substantiate his statements, which may be stated and summarily answered as follows:

1. That the situation in the lumber industry in the United States is "precarious" because of the decline of forest resources. It is pretty well agreed among those familiar with the industry that the precarious situation is due, instead, to an over-abundance of timber.

2. That the dumping charge against pulpwood was completely destroyed by testimony at the hearing before Assistant Secretary Lowman. I attended the hearing in question. The charge of dumping was not before the Treasury Department at that time, nor was that subject mentioned in the hearing.

3. That allegations of convict labor and forced labor were resorted to when the dumping charge failed. We advised the Treasury Department concerning the use of convict labor in the Russian lumber industry long before any other industries had brought up the question of Russian dumping.

4. That a hearing before Assistant Secretary Lowman in July, 1930, revealed that the charges of convict labor were unsubstantiated and conflicting. The question before the Assistant Secretary at that time was the release of several cargoes of pulpwood then being detained. They were released notwithstanding positive proof of the use of convict labor in loading the ships with pulpwood, because the law did not cover "loading," and there was no evidence showing that these specific cargoes were produced by convicts.

5. That it is a fact that convict labor has never been used in the regions as to which the government demands proof.

These few citations indicate the biased and uninformed view presented by Mr. Jacobson. He has, moreover, failed utterly to discuss the real and fundamental reasons for the economic conflict between Russia and the United States. It cannot be correctly described as the efforts of a "few small local producers" to interfere with a profitable and promising export trade with Russia. The problem is far more fundamental: it is a question of sustaining the competitive system prevailing in the United States. It should be readily apparent that there is a fundamental antagonism between State socialism as it exists in Russia and private capitalism as it prevails in this country. Whether this is an admission of weakness in capitalism is entirely beside the point. The fact remains that the private trader seeking a market for his goods cannot withstand the "uneconomic" competition of a huge enterprise backed, when occasion demands, by all the resources of Russia.

I might add that the confusion which developed during the Summer of 1930 over the charges and denials concerning the use of convict labor in Russia were obviously more disturbing to us than to the public in general. We regarded it not only as a matter of sound policy but essential to know definitely the probability of dangerous competition from Russia. To get the facts, and to assess as nearly as possible the dangers which Russian competition was likely to offer to the American lumber trade, I made an extensive personal inquiry in Europe during the past Winter, visiting ten different countries, important either as lumber producers or lumber consumers. The outcome plainly indicated the policy the American lumber industry is now following.

CARL W. BAHR,
National Lumber Manufacturers Association,
Washington, D. C.